Austria ... Sch. 18	Indonesia .. Rp 2600	Portugal ... Esc 80
Bahrain .. Din.0 650	Italy ...... L 1200	S. Arabia .. Rls 6.00
Belgium ... BFr 38	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain .... Pta 100
Cyprus ... C£0.60	Kuwait ... Fils 500	Sri Lanka .. Rup 30
Denmark .. Dkr 7.25	Lebanon .. £L 6.00	Sweden .. SKr 6.50
Egypt .... E£1.00	Luxembourg . LFr.38	Switzerland SFr 2.00
Finland .. Fmk 5.50	Malaysia .. Rin 4.25	Taiwan ... NT $35
France .. FFr 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 180
Greece ..... Dr 60	Netherlands . Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. NKr 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,509 Thursday December 27 1984 D 8523 B

Italy fears a terrorism revival, Page 2

NEWS SUMMARY

GENERAL

Over 20 killed in India poll violence

Polling in India's general election reopens this morning with reports of ballot-rigging during the first stage of voting on Monday and after more than 20 people died in violent clashes. One opposition leader claimed that an attempt had been made on his life.

A fairly high turnout of between 60 and 65 per cent was estimated on Monday, when two thirds of the country's 380m registered voters went to the polls.

Mr Rajiv Gandhi's Congress (I) party remained confident of a comfortable victory even though a high turnout traditionally favours the opposition. Page 10

Settlers' blockade

French police fired tear gas and stun grenades to disperse 300 anti-independence settlers manning roadblocks in the southern Pacific territory of New Caledonia.

Tehran bomb denial

Iranian opposition Mujaheddin group denied responsibility for a Tehran bomb attack that killed six people. Another bomb exploded yesterday.

Popieluszko trial

Three Polish security police who confessed to murdering radical priest Father Jerzy Popieluszko are to go on trial in the northern town of Torun.

Sikh returned

Jasbir Singh, a prominent Sikh activist and nephew of former Sikh extremist leader Jarnail Singh Bhindranwale, was flown to New Delhi from Manila after being refused entry

Afghan attack claim

Six Afghan aircraft attacked a Pakistani border region, killing four villagers and injuring six, the Pakistan Government claimed.

Train bomber sought

Italian police were hunting a man who left the Naples-Milan express just before a bomb blew it up, killing at least 15 people and injuring 180. Italy mourns, Page 2

Sudan reshuffle

Sudanese President Jaafar Nimeiri, whose administration is facing serious economic problems and rebellion in the south, dismissed the Finance Minister and several key officials in his second Cabinet reshuffle this year. Page 2

Gadaffi move

Libyan leader Col Muammer Gadaffi said he would ask his country's Peoples Congress to release four Britons held since June.

E. Germans 'give up'

A number of East Germans trying to get to the West by seeking asylum in West German embassies in Prague, Warsaw and Budapest, have decided to give up and return home, the West German newspaper Bild said.

Peace plan dropped

The Sri Lankan Government dropped a controversial peace plan proposed by President Junius Jaywardene to ease unrest between the island's majority Sinhalese and minority Tamils.

Kahane restricted

Israeli Knesset (parliament) voted to ban extremist anti-Arab member Rabbi Meir Kahane from visiting Arab villages without prior police approval. Page 2

Soviet peace award

The Soviet Union's only Catholic Cardinal, Julian Vaivods, 89, has been given an award by the official Soviet disarmanment campaign.

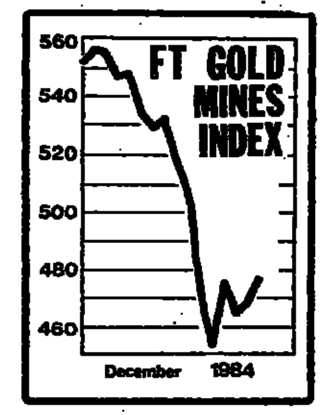
BUSINESS

Sterling hits low against dollar

STERLING fell further against the dollar to close in New York at $1.1675 ($1.16875). Other currencies closed at DM 3.1310 (DM 3.122), SwFr 2.5775 (SwFr 2.5715), FFr 9.5725 (FFr 9.5425) and Y249.55 (Y247.95). Currencies, Page 23

WALL STREET: The Dow Jones industrial average closed down 1.22 at 1,208.92. Report, Page 13; Prices, Pages 13–17

TOKYO stocks lost much of their early gains, leaving the Nikkei-Dow market average 2.30 up at 11,494.59, but the stock exchange index breached the 900 level with a six-point gain to 904.99. Report, Page 13; Prices, Page 16



FT GOLD MINES index rose 8.8 to 477.7 on Monday, a mainly technical recovery. Bullion price was $2.625 higher at $313.5 an ounce. London Stock market report, Page 17

ISRAEL, struggling with severe economic problems, was warned by the U.S. that it must take tougher action if it is to receive continued aid. Page 2

TURKEY and the Soviet Union signed agreements to significantly expand trade and long-term economic co-operation. Page 2

EGYPT is to overhaul its exchange rate system to eradicate black market trading and to ensure an adequate supply of U.S. dollars. Page 2

CONSOLIDATED GOLD FIELDS, British-based international mining and industrial group, made a £81.5m ($72.3m) agreed bid for UK quarrying and construction group Bath and Portland, which was the target of a takeover offer by C. H. Beazer (Holdings). Page 10

JAGUAR, the UK luxury car maker, is changing its distribution on the European continent in a push for higher sales. Page 4

MERRILL LYNCH, U.S. securities firm, failed in its attempt to become the first foreign broker to get a seat on the Tokyo Stock Exchange. Page 10

PACIFIC TELESIS, one of the leading U.S. telephone operating companies, is to enter the British telecommunications market through acquisitions and joint ventures. Page 10.

CREUSOT-LOIRE and Schneider shares resumed trading in Paris after a near 6½-month suspension when the former went bankrupt. Trading was again halted because of order imbalances. Page 13

KUALA LUMPUR KEPONG, Malaysia's fourth largest plantation group, has doubled pre-tax profits to 102m ringgit ($42.5m) for the year ended September. Page 11

SWISSAIR, Switzerland's national airline, expects to show a higher net profit for 1984 than the record SwFr 56.3m ($22m) for the previous year. Page 11

BOND CORPORATION, master company of Mr Alan Bond's Perth-based beer, property and investment group, has agreed with Amalgamated Wireless Australia to buy the QTQ 9 television channel in Brisbane, Queensland, for A$65m ($54.2m). Page 11

NORSK-HYDRO and Borregaard, two of Norway's leading industrial groups, have announced a share swap Page 11

Phillips recapitalisation deal sets precedent for takeover defences

PHILLIPS PETROLEUM, the ninth largest U.S. oil company, has fought off a takeover attempt by Mr T. Boone Pickens, the Texas bid specialist, with an unprecedented standstill agreement involving a sweeping recapitalisation of the group, writes Terry Dodsworth in New York.

The surprise deal will earn Mr Pickens's Mesa Petroleum consortium an estimated $89m gross profit. It also exposes Mr Pickens, who in the last two years has led a number of successful assaults on undervalued oil companies, to charges of "greenmail" – the practice of forcing target companies to buy back shares at a profit not available to other shareholders.

In the early stages of his offer for Phillips Mr Pickens promised he would never indulge in greenmail, and said he would not stand for unequal treatment of shareholders.

The standstill agreement covers all of Mr Pickens's costs, but prohibits him from buying Phillips shares for 15 years. The deal reached late on Saturday just before the Christmas holidays, was met with a confused response on the New York Stock Exchange.

Speculators and arbitrators who had gambled heavily on a protracted bid battle were badly shaken by the unexpected announcement. A heavy sale of Phillips stock left it down by $9⅝ at $45¼ on Monday, although it recovered slightly in early trading yesterday to $46¼. Mesa shares fell on Monday, but rose by 5⅜ yesterday to $18⅝ in early trading.

Some speculators, however, argued that the sudden pact may mean that Mr Pickens is lining up another oil company for a takeover attempt. The subsequent flutter of bid interest pushed up the shares of a variety of oil groups, including Mobil, Unocal, Amerada Hess and Sun.

Virtually all analysts were agreed, however, that the deal set a precedent in U.S. takeover defences. It was partly structured as an employee buy-out on the lines of the recently popular leveraged deals, leaving company staff with a stake of almost 40 per cent, and raising debt to around 70 per cent of the equity.

At the same time, it involved the company buying in a large amount of its own shares, which should have the effect of buoying up its long-term share price, while making it easier to guarantee a high buy-out price to Mr Pickens.

Subject to shareholder approval, the agreement between the two companies provides for the recapitalisation of Phillips in five separate steps:

Continued on Page 10

Opec faces battle to enforce output and pricing policy

BY RICHARD JOHNS IN LONDON

THE Organisation of Petroleum Exporting Countries resumes its conference in Geneva this afternoon amid uncertainty as to how wholeheartedly governments will support plans for strict policing of output and prices.

Delegates reassemble knowing that agreement on an effective programme for enforcing total respect for the 13 members' individual quotas and the ceiling on collective output of 16m barrels a day is essential if Opec is to recover credibility in the market and reverse the slide in oil prices.

Acceptance of the plan to supervise strictly their operations could founder on failure to adopt a new and plausible system of price differentials.

On his arrival in Geneva last night Dr Mana Saeed al Otaiba, the United Arab Emirates' Minister of Oil, said his country "will go for a price war" against other producers unless a package deal including differentials as well as the pricing scheme. In doing so he seemed to confirm that President Zayed of the UAE had rejected proposals contained in a letter from King Fahd of Saudi Arabia delivered on Christmas Day.

Britain has postponed any decision on future pricing for North Sea oil until the outcome of the Opec meeting is known. The UN Government, with petroleum revenues and the strength of sterling in mind, is hoping that Opec will come up with formula giving the state-owned British National Oil Corporation greater strength in resisting pressure from oil companies.

Opec still faces the difficult and possibly intractable problem of revising pricing differentials – specifically by narrowing the gap between official selling rates for light and heavy crudes – another measure considered essential to support the disintegrating price structure.

Consultations in the Gulf over the past few days appear to have failed to produce a compromise on differentials. Industry analysts and, indeed, many leading Opec figures believe that it is intimately related to production discipline, because if prices are out of line some members are incapable of achieving their quotas under the ceiling.

Opec adjourned its conference on December 22 until today so that chief delegates could obtain full backing from their heads of state and governments for a radical scheme whereby operations of member states would be audited and breaches of commitments fully exposed.

It is the first time that Opec, whose statutes have no supra-national provisions, has moved to touch on the sovereignty of member states. Under the plan worked out last week Opec-appointed inspectors would be stationed on their territory with the right to see all relevant documents about the volume and price of exports of crude oil and refined products.

Yesterday Indonesia and the United Arab Emirates became the first members to indicate unqualified support for the plan worked out last week by a four-man ministerial team headed, by Sheikh Ahmed Zaki Yamani of Saudi Arabia, before Opec adjourned its conference.

Dr Subroto, Indonesian Minister of Mines and Energy, said that President Suharto supported the idea without reservation.

Speaking in Jakarta before his departure for Geneva he expressed optimism that other members of Opec would endorse the proposals for supervising output prices which have not so far been officially revealed.

Mr Mohammed Gharazi, Iran's Oil Minister was reported by the official IRNA news agency in Tehran as saying that Iran would defend a policy of "controlled oil production and prices. He said that Iranian leaders including President Ali Khamenei were in favour of stabilising the price of the marker Arabian light at $29 a barrel and output at 16m barrels a day (b/d).

In Lagos Mr Tam David-West, Nigerian Minister of Oil, said that proposals so far made for closing the gap in official selling rates amounted to no more than a "cosmetic solution".

He was evidently referring to Saudi Arabia's insistance that the reference price of $29 for Arabian Light should remain unchanged while prices for heavier crudes should be raised by 50 cents and those for lighter crudes like those produced by Nigeria and the UAE should be lowered by 25 cents.

Accompanied by Sheikh Ali Khalfa al Sabah, Kuwait's Minister of Oil, Sheikh Yamani visited Abu Dhabi on Christmas Day and delivered a letter to President Zayed of the UAE from King Fahd of Saudi Arabia. It was believed to be related to the differentials problem but – to judge by Dr Otaiba's remarks yesterday in Geneva – was not successful in persuading Abu Dhabi (which is responsible for about two thirds of UAE capacity and output) that the price of Arabian Light should remain unchanged.

Libya is also understood to be in favour of reducing the marker price as a means of reducing the range of price differentials.

Continuing to show solidarity with Opec, Mexico has announced unchanged oil prices for January but has warned that it may change its oil export policies if some members of Opec persist in "irresponsible practices." For the time being it is continuing to restrict exports having cut them by 100,000 b/d last month.

Iran steps up attacks on ships in Gulf

By Roger Matthews, Middle East Editor, in London

IRAN has intensified attacks on shipping in the Gulf and is claimed by Iraq's military commanders to be planning a land offensive in the 51-month-old Gulf war.

A Spanish-owned tanker, the Aragon, was attacked by aircraft yesterday 10 miles north-west of the Shah Allum shoal midway between Qatar and Iran's Lavan Island, an area where Iranian aircraft have struck at more than a dozen vessels this year.

The Aragon, 239,000 dwt, was taking ballast to the Saudi Arabian oil terminal at Ras Tanura when the aircraft attacked. The captain of the Aragon reported that none of the crew had been hurt and that a fire on board had been brought under control. The vessel is owned by Fletamentos Maritimos of Madrid.

A fully laden Indian-owned tanker, the 276,744 dwt Kanchenjunga, was attacked in the same part of the Gulf on Tuesday. Two rockets hit the ship's bridge, injuring a member of the crew and starting a fire which caused "serious damage." The ship was able to proceed under its own power and the fire was later extinguished.

Iran has not claimed responsibility for either attack, thought to be retaliation for two Iraqi attacks last Friday on tankers which had loaded at Iran's Kharg Island oil terminal.

Over 50 vessels have been struck in the Gulf this year since Iraq took delivery of five Super Etendard aircraft from France and declared an exclusion zone around Kharg Island. The attacks have had little effect on oil exports from Iran or other countries in the Gulf, however.

Long columns of Iraqi armour were sighted yesterday heading towards the southern central region of the battlefront in apparent anticipation of another Iranian offensive. Iranian troops are reported to have been massing close to the border opposite the Iraqi city of Amara.

Continued on Page 10

Argentina in late struggle to meet IMF credit target

BY PETER MONTAGNON IN LONDON

ARGENTINA was yesterday embroiled in a last-minute struggle to secure the level of subscriptions to its $4.2bn loan from creditor banks needed to win release of a $1.4bn credit from the International Monetary Fund (IMF), before the end of the year.

Less than 48 hours before the IMF executive board was to vote on Argentina's economic stabilisation programme, subscriptions to the loan were still running slightly short of the 90 per cent target set by Mr Jacques de Larosière, the IMF managing director.

With money continuing to flow in over the Christmas holiday period, bankers said they believed the shortfall might be made up in time for the IMF board meeting in Washington tomorrow.

In Buenos Aires Sr Leopoldo Portnoy, Deputy President of Argentina's central bank, said yesterday that the credit was already at least 85 per cent subscribed.

Argentina's creditors banks had been asked to reply to the country's loan request by Christmas, in plenty of time for the IMF board meeting, which is to vote on an economic recovery programme designed to halve inflation to about 300 per cent by next autumn.

Mr de Larosière has made clear to the banks that the programme will not be viable without their financial support.

Initial replies to the loan request were however slower than expected. Apart from the reluctance of some banks to put up fresh money for Argentina, others have faced technical difficulties in making their commitments.

Those centre on the need to win board approval for the measures in less than a month and the difficult self-assessment process. Banks have to calculate their own subscriptions to the loan at a rate of 16¾ per cent of their existing exposure and that figure then has to be reconciled with Argentina's own assessment.

Senior bankers say there has been no widespread aversion to Argentina's deal in the marketplace. The country's promise substantially to reduce its interest arrears before the end of the year is a large incentive to banks worried about their 1984 profit figures, they say.

Argentina announced on Monday that it would pay an extra $100m in interest before the year end with funds which Sr Portnoy said had been raised in the form of a short-term bridging loan from Mexico, Brazil, Colombia and Venezuela.

Like a $500m bridging loan promised by the U.S., however, that will only be paid once the IMF board has voted on Argentina's programme. If that programme is approved, Argentina would use the Latin American and U.S. money together with $250m from its own reserves to pay $850m in overdue interest.

That would leave only $400m in arrears of interest on public-sector foreign degt, but for many banks the payment of the arears can count towards 1984 profits only if it is actually received by December 31.

If the year end passes without IMF board approval for Argentina's loan, the momentum of subscriptions to the commercial bank credit might slow appreciably, bankers believe.

Argentina would also stand to lose $100m in IMF credit because of changes in borrowing ceilings being introduced by the Washington-based organisation on January 1.

The committee of leading creditor banks chaired by Citibank would not confirm Sr Portnoy's figure of subscription received for the new loan. That is because it does not want to publish a total that might influence smaller creditors who are on the verge of deciding, bankers said.

The new loan is among measures that also include about $13.5bn in public and private-sector debt rescheduling as well as arrangements to maintain Argentina's access to short-term trade

Japan's ministries call for more cash from 1985 draft budget

BY ROBERT COTTRELL IN TOKYO

JAPANESE government ministries are fighting this week to increase the cash allocated to them for fiscal 1985, which begins on April 1.

Mr Yasuhiro Nakasone, Prime Minister, and his Cabinet approved on Monday a draft budget prepared by the Finance Ministry which calls for total general account expenditure of Y52.5 trillion ($211bn) in fiscal 1985 – a 3.7 per cent increase on the amount approved in the budget drafted for fiscal 1984.

The draft includes a contingency allocation of Y160bn which will be awarded to ministries in a last round of negotiations this week, before final Cabinet approval of the budget scheduled for Saturday.

Political interest centres on how much of the contingency fund will be allocated to defence. The draft budget offers the Defence Agency Y3.09 trillion (million million), a 5.1 per cent increase over fiscal 1984. However, Defence Agency officials say they want an increase closer to 7 per cent, after 6.55 per cent growth this fiscal year.

The draft foresees government bond issues of Y11.68 trillion in 1985, a reduction of Y1 trillion over 1984. Tax revenues are forecast at Y38.55 trillion, and non-tax revenues at Y2.27 trillion.

However, the cost to the Japanese Government of servicing its existing debt is expected to rise by 11.7 per cent to Y10.22 trillion in 1985, making this the largest item of national expenditure for the first time. Social security slips into second place with a 2.4 per cent rise, to Y9.54 trillion.

The draft includes a rise of 9 per cent to Y9.69 trillion in grants to local government. Excluding debt servicing and local government grants, the government's operating expenditures in 1985 as drafted would total Y32.59 trillion, virtually unchanged from this year.

Expenditure under the Government's fiscal investment and loans programme – a separate schedule of capital works funded from deposits with the state-owned Postal Savings Bank – is expected to total Y20.7 trillion in 1985, a 1.9 per cent decrease on this year's draft total of Y21.1 trillion.

The proposals for 1985 include an increase in the state-controlled price of rice, higher medical charges, increased fares on the state-owned, loss-making Japan National Railways, and reduced state subsidies to private universities.

The budget represents Mr Nakasone's third successive "austerity" package, and has received a mixed reaction. The Asahi Shimbun newspaper said the draft represented "ailing national finances being pulled apart by political forces". It criticised the draft for acknowledging only the servicing cost of outstanding government debt, without providing for future bond redemptions.

The Asahi also said it was "concerned that it has become an established pattern in recent years to pad defence outlays by an additional 1.4 per cent in political negotiations following the announcement of the Finance Ministry's draft budget," and said Mr Nakasone should be "aware of growing public opinion against the pro-defence build-up elements in the LDP [Japan's ruling Liberal Democractic Party]."

● Judicial pressure is increasing for the LDP to redress imbalances in the size of constituencies returning members to the House of Representatives, the lower house of the national Diet or parliament.

A high court in Sapporo on the northern island of Hokkaido said on Tuesday that the distribution of seats in Japan's December general election was so unfair as to render the election "against the spirit of the constitution." The judge refused to declare the general election void, however.

CONTENTS

Italy fears revival of terrorism

BY ALAN FRIEDMAN IN MILAN

THIS MORNING, as funeral ceremonies begin in Bologna for the 15 killed in Sunday evening's terrorist bombing of the Naples-Milan Express Train 904, Italy remains stunned by the carnage and by fears that it could presage a return of the rampant terrorism of the 1970s.

Sig Bettino Craxi, Prime Minister, said the attack had "splattered Italy's Christmas with blood." It comes at a time when the country had seemingly put the scourge of terrorist kidnappings, bombings and assassinations firmly behind it.

The few clues available are ominous. The 5-kilo bomb, detonated in a luggage rack while Train 904 was 6 km inside a 19-km-long tunnel north of Florence, was "almost certainly the work of professional terrorists," according to a senior police official.

The bomb, which disintegrated the carriage with 70 occupants inside, exploded in the railway tunnel between Florence and Bologna where a similar attack in 1974 killed 12 holidaymakers.

In the nearby station of Bologna 85 people died in a terrorist bombing in August 1980.

By Christmas Day, 15 terrorist organisations had telephoned Italian news agencies to claim responsibility for Sunday's attack. The left-wing Red Brigades, whose killing last February of an American diplomat in Rome first stirred concern that terrorism might return, made two phone calls to deny their involvement in the attack.

Although the claimants included Muslim fundamentalists and neo-fascists, the initial view among Italians is that the attackers were probably far-right extremists.

Less than 48 hours after the attack, an identikit photo of a man believed to have been seen at the train's last stop at Florence was in circulation.

As news of the bombing circulated on Christmas Eve, the anguish among Italians was palpable, as any of the millions of Italians travelling across the country for family reunions could have been victims.

Italy's newspapers printed special editions on Christmas Day, carrying many pictures of mutilated bodies and twisted train carriages.

Sig Craxi, who along with President Sandro Pertini rushed to visit the 117 wounded in hospital in Bologna, said: "This crime must not go unpunished." Few Italians, however, have much faith that the terrorists will be caught. Sig Pertini, who is 88, wept as he emerged from the hospital. He was unable to speak to reporters.

There were immediate meetings of the Prime Minister, Interior Minister and heads of security services. Parliament cancelled its Christmas recess and is meeting today to discuss the attack.

Italian terrorism in the 1970s reached a peak in 1978 with the Red Brigades' kidnapping and murder of Sig Aldo Moro, the former Prime Minister.

However, the number of terrorist acts in Italy dropped dramatically after the failure of the Red Brigades' operation in the winter of 1981-82, involving the kidnapping of U.S. General James Lee Dozier. After several weeks in captivity the general was freed by a special police squad. Hundreds of terrorists were arrested and terrorist morale collapsed.

Since then there has been little terrorism in Italy with an entirely Italian motivation. Most acts of terrorism in recent years have been inspired and carried out by groups from the Middle East.

Around 2,000 Italian terrorists from the left and right are in prison. A number have taken advantage of a special law to become "penitent" — collaborating with the authorities.

Despite hundreds of arrests over the past couple of years, however, Sig Craxi warned last September that terrorism might not have disappeared.

Police were yesterday searching the homes of political extremists in various Italian cities, concentrating on right wingers.

An identikit picture of the man seen leaving the train before the explosion showed a short, oval face with stubbly beard and spectacles. Police said he was aged 27 to 30, of medium height, dark complexion and dark hair.

Tikhonov signs two trade pacts with Turkey

By David Barchard in Ankara

MR NIKOLAI TIKHONOV, Soviet Union Prime Minister, yesterday signed two trade protocols with Turkey during a six-day visit to the country. The agreements are aimed at a major expansion in trade and long-term economic cooperation.

Mr Turgut Ozal, the Turkish Prime Minister, said yesterday that he hoped the volume of trade between the two countries would rise to $6bn (£5bn) between now and 1990.

Turkey plans to step up imports of machinery, chemicals and paper from the Soviet Union while the Soviet Union is to buy citrus fruits, olive oil, textiles, minerals including barytes, and video cassettes.

The 10-year trade protocol covers metal industries, aluminium, petrol refineries, chemicals, various light industries, and purchases of natural gas and electricity.

The emphasis of Mr Tikhonov's visit continues to be on economic affairs. Turkish officials are said to regard Soviet remarks on the major political and strategic issues surfacing in discussions as "relatively light."

However, during his visit Mr Tikhonov has reiterated Soviet objections to U.S. plans for "star wars" defence systems in space.

Mr Tikhonov met Mr Kenon Evren, the Turkish President, yesterday morning. His visit is seen here as a move by Moscow to scale down the hostility and suspicion which has existed between Turkey and the Soviet Union since the Turkish military coup of 1980.

Reuter reports from Istanbul: Forty-five people including 15 army lieutenants went on trial at a martial law court on Tuesday accused of plotting to overthrow the state, the semi-official Anatolian News Agency said.

The agency said the defendants were accused of involvement in bombings, shootings and armed robberies plotted from 1977 onwards at the Kara Harp army college in Ankara.

Another mass trial of alleged leftist extremists ended with one man sentenced to life imprisonment and 31 more jailed for up to 30 years.

Shultz warns Israel over terms for economic aid

BY OUR TEL AVIV CORRESPONDENT

THE ISRAELI Government, struggling with serious economic difficulties, has been bluntly warned by the U.S. that it must take tougher action if it wishes to receive desperately needed American economic aid.

The message came in a letter from Mr George Shultz, the U.S. Secretary of State, which, to the evident embarrassment of Israeli officials, has been leaked to local Hebrew newspaper.

According to the reports, Mr Shultz, who is known to be taking a close interest in Israel's efforts to free itself from inflation-induced economic chaos, gave the Government a virtual ultimatum.

He is reported to have told Prime Minister Shimon Peres that there will be no additional U.S. aid for Israel until the Government takes painful and decisive action to lower living standards.

The U.S. has been urging Israel to slash government expenditure for months but so far the divided Cabinet has been unable to agree on the cuts in the U.S. seeks.

Last week, Israel asked Washington to provide an immediate $800m in additional aid and submitted a record $4.1bn aid request for the 1986 fiscal year.

Knesset restricts Kahane's movements

By Our Tel Aviv Correspondent

THE ISRAELI Knesset (parliament) has decided to restrict the movements of its most controversial member: Rabbi Meir Kahane, the anti-Arab extremist.

After lengthy committee discussions, the Knesset voted on Christmas Day to stop Rabbi Kahane visiting Arab villages without prior police approval.

It was a landmark decision. Since the birth of modern Israel in 1948, all Knesset members have been able to travel with immunity throughout the country, whatever the circumstances.

Members of virtually every faction in the fragmented, 120-member Knesset voted to block the New York-born Rabbi's anti-Arab crusade.

Rabbi Kahane won a parliamentary seat for the first time in last July's general elections on a thinly veiled "hate ticket," vowing to expel the estimated 2m Arabs living in Israel and the occupied West Bank and Gaza Strip.

Since taking his parliamentary seat, Rabbi Kahane had almost daily tabled Bills aimed at restricting the rights of Israel's Arab citizens, who make up 17 per cent of the population. So far, the Knesset has refused to debate any of his proposals seriously.

Opinion polls show, however, that grassroots support for Rabbi Kahane's Kach party has grown and that it would gain three or four seats in a new election.

Those surveys have also shown an anti-democratic trend among Israel's increasingly right-wing youth, and members of the two main parties, the Labour Party and right-wing Likud block, have launched a campaign aimed at ensuring democratic values.

Egyptian exchange rate system overhauled again

BY TONY WALKER IN CAIRO

EGYPT IS again overhauling its exchange rate system in an effort to eradicate black market trading in its currency and to ensure an adequate supply of dollars for private and public sector importers.

After weeks of uncertainty, Dr Mustapha Said, the Economy Minister, has said Egypt will establish a floating exchange rate regime that will more realistically reflect the market value of the Egyptian pound against the U.S. dollar.

A committee, including representatives of Egyptian *public-sector banks, headed by* the Central Bank of Egypt, will fix the exchange rate daily.

Egypt will, however, maintain its many-layered system of official fixed exchange rates for special purposes such as commodity transactions which are calculated at the rate of E£0.70 to the dollar.

Dr Said is also proposing to lift restrictions on depositors opening foreign currency accounts. Previously, the sources of deposits had to be verified.

Certain banks, starting with those in the public sector, will be authorised to deal with sources of funds outside Egypt such as prominent money dealers in the Gulf.

The aim is to attract a bigger share of workers' remittances through conventional banking channels. It is estimated that some $4bn (£3.3bn) is generated each year in remittances by Egyptians working abroad. Only a fraction of this flows back into Egypt through the banks. Remittances from *the Gulf and elsewhere* of the several million Egyptian workers abroad have been largely controlled by currency dealers in recent years.

Meanwhile, Egypt has decided in principle to increase the cost of electricity to near world parity for hotels and some commercial enterprises established under the foreign investment law established at the time of the "open door" policy of the mid-1970s.

Car sales in W. Europe drop 2%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CAR SALES in Western Europe fell by about 2 per cent in 1984, from 10.267m in 1983 to just over 10m, according to Ford of Europe estimates.

The downturn made 1984 a particularly difficult one for the volume car producers, says Mr Bob Lutz, chairman of Ford of Europe. "Nobody has been immune from the problem of having a great deal more production capacity than the market could absorb and the consequent escalation of marketing costs affecting profitability."

Ford secured its largest-ever share of the European car market, accounting for 12.9 per cent (up from 12.6 per cent in 1983) but its European plants were operating at close to 20 per cent below their planned capacity in 1984, he said.

In spite of chalking up car sales totalling 1.29m in 1984 and very nearly equalling the record 1.296m for 1983, Ford is still not ready to claim the West European car sales championship. When the final figures are totted up there will probably be only 20,000 registrations between Ford and Fiat but the odds seem to be in Fiat's favour.

The Italian company's home market experienced some renewed buoyancy towards the year-end, whereas car sales in Ford's strongest markets, the UK and West Germany, were depressed.

On the production front, Ford says it produced 1.433m vehicles during 1984, a fall of 44,000 or 3 per cent from the 1983 total.

The Escort remained by far the best-selling Ford car in Europe and in 1984 output reached 462,000 (up from 441,000 in 1983), while production of the booted version, the Orion, was 122,000 (31,000). Fiesta output also increased in 1984 to 372,000 (339,000) but Sierra production fell by 21 per cent to 300,000 (380,000). Ford also produced in 1984 60,000 Granadas (72,000) and 20,000 Capris (31,000).

Ford estimates that total West European commercial vehicle sales also fell in 1984, from 1.345m in 1983 to 1.31m, a 2.5 per cent slip.

Ford's own commercial vehicle registrations also slipped, from 142,000 in 1983 to about 140,000 but that was enough to increase its share of the European market marginally from 10.6 per cent to 10.7 per cent.

Mr Lutz points out that Ford has been investing at the rate of $1bn (£833m) a year in new and improved car and commercial product ranges for Europe and "despite the continuation of difficult trading conditions anticipated in 1985, we still plan a wide and significant range of new product introductions in the coming year."

● The West German motor industry association, the VDA, estimates that about 400,000 more cars could have been sold in West Germany in 1984 if it had not been for uncertainty among customers over the introduction in 1986 of pollution controls on cars.

Registrations of cars in West Germany for 1984 were about 2.4m after 2.43m in 1983, says the VDA.

Nimeiri sacks his finance minister

By Our Cairo Correspondent

SUDAN'S President, Gen Jaafar Nimeiri, whose administration is facing serious economic problems and a rebellion in the south of the country, has sacked a number of key officials including the finance minister. It is the second major cabinet reshuffle this year.

Suna, the Sudanese news agency, reported that Mr Abdul-Rahman Abdul Wahab had been appointed minister of finance and economic planning in place of Mr Ibrahim Moniem Mansour.

Sudan also has a new minister of co-operation, trade and supply. He is Mr Fawzi Ibrahim Wasfi who takes over from Mr Jaafar Hassan Saleh.

Western observers here see the extensive shake-up in Gen Nimieri's Cabinet as a further indication of strains in the Government over Sudan's parlous economy with inflation around 40 per cent and a foreign debt of around $9bn.

Arafat meets Hussein on Middle East peace moves

BY ROGER MATTHEWS

MR YASSIR ARAFAT, chairman of the Palestine Liberation Organisation, was due to leave Amman last night after two long sessions of talks with King Hussein of Jordan on possible Middle East peace moves.

It was the first meeting between the two leaders since November, when King Hussein challenged the Palestinians to work with him on a new peace initiative.

Mr Arafat has since travelled to a dozen Arab countries to explain the decisions of the Palestine National Council, the Palestinian parliament-in-exile, to which King Hussein made his appeal. The National Council authorised Mr Arafat to explore further co-operation with King Hussein but it also urged that steps should be taken to restore relations with dissident Palestinian factions based in the Syrian capital, Damascus.

Mr Arafat also chaired a meeting of a newly-elected PLO Executive Committee while in Amman and the Palestinian dissidents are believed to have been the main item on the agenda.

The dissident factions have been highly critical of Mr Arafat's leadership style and formally refused to attend the National Council sessions in Amman. Two places have been left on the executive committee for them

Editorial comment, Page 8

Zia plans an Islamic democracy

BY MOHAMMED AFTAB IN ISLAMABAD

PAKISTAN'S President, Gen *Zia ul-Haq, plans to hold* general elections to establish an Islamic democracy in Pakistan by March 23, 1985, after winning a five-year term for himself and endorsement of his islamisation policies in last Wednesday's referendum.

He has, so far, refused to spell out in detail the contours of Pakistan's future form of government, which he calls "shooracracy" (*shoor* is Arabic for advice or council). Even some of the right-wing politico-religious leaders disagree with him over his proposed pattern of government.

The official results of the referendum gave Gen Zia 97.71 per cent "yes" votes out of a total 21.75m cast. The number of "no" votes was 316,918. There are 34.99m registered voters in Pakistan.

Opposition parties have challenged these statistics, describing the referendum as "rigged," "a farce," "a fraud," and the result of "stuffing of ballot boxes." There was no other candidate in the referendum against Gen Zia.

Malik Mohammed Qasim, co-ordinator for the 11 party opposition alliance called Movement for Restoration of Democracy (MRD), said of the results, "with the opposition completely silenced through atrocious laws *decreed by the Government,* election officials extensively stuffed the ballot boxes"

The election commission says 62.15 of the registered voters cast their ballots. Independent observers and journalists say that at most urban election stations, the voter turnout was around 20 per cent, and in rural areas around 25 per cent.

The opposition parties, banned for the last five years, have held two large public rallies at Lahore, 180 miles south east of here, following the referendum. Malik Mohammed Qasim, *Nawabzada Nasrullah Khan,* and other MRD leaders, called on President Zia to "resign," and "bow to the people's verdict."

Both rallies were broken up by baton-charging police, which used teargas. "Hundreds" of political activists were arrested during and after the referendum, MRD says.

The MRD high command is shortly expected to draw up a political programme following the referendum, its leaders say. But they decline to elaborate, *fearing* a Government crack down.

In fact, the Government moved quickly and put half a dozen MRD leaders under house arrest in Karachi. They include Khawaja Khairuddin, Mr Ghulam Mustafa Jatoi, Sardar Sher Baza Mazari (who were released yesterday), Fatehyab Ali Khan, and Mr Iqbal Haider.

Mr Qasim said a number of his colleagues had also been restricted to their home towns so that they could not establish contact with the people.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

Airbus and Pan Am sign leasing deal for aircraft

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRBUS Industrie, the European airliner manufacturing group, and Pan American World Airways have now signed an interim lease agreement enabling 12 A-300B4 and four A-310 wide-body Airbuses to be delivered to the airline. The aircraft involved are worth over $450m.

This is the first phase of a complex financing process that eventually will provide Pan Am b ythe late 1980s with a fleet of at least 75 Airbuses (25 A-310s and 50 A-320s) worth over $2bn.

Pan Am's intention to acquire the Airbuses was first announced in September, when it said it intended initially to lease 12 A-300B-4s and four A-310s, and eventually to buy 12 A-310-300s and 16 of the new 150-seat A-320s, with options on another 13 A-310s and 34 A-320s.

The first phase of this complex contract arrangement has now been settled, with the interim lease agreement. Four A-300B-4s have been delivered to New York and put into service. The remaining eight A-300B-4s and the four A-310s under the leasing plan will be delivered over the next few months.

Commenting on this phase of the deal, Mr Bernard Lathiere, president and chief executive of Airbus, said the transaction was "complex, entirely financed from commercial sources, and finalised in the shortest time-frame."

In Tokyo the Japanese trading company Nichimen said it and Orient Leasing, acting in consortium, would finance the $100m sale of the four A-300B-4s which have been delivered.

The consortium will loan funds to a U.S. investment firm, Wilmington Trust, for 18 years to buy the jets for leasing to Pan American. The loan carries fixed interest for the first five years and interest linked to Libor with a premium for 13 years.

A number of major banks throughout Europe are believed to have been involved in the total package. Speed of delivery has been possible because some of the A-300B-4 aircraft are "white-tails" — aircraft already built but lacking immediate buyers.

The deal now agreed is understood to provide for the commercial sources to pay Airbus for the aircraft, and to be reimbursed by the airline.

At current Airbus prices, the A-300B-4s are worth about $25m each, and the A-310s about $38m each, putting a total value on the aircraft in the lease deal of about $450m. It is probable that a substantial provision for initial spares is also involved in the financing package.

The A-300B-4s will be used by Pan Am on its internal U.S. routes and to the Caribbean. They each seat 254—24 first and 230 economy class. The four A-310s will be used on Pan Am's internal German routes and its European network. They each seat 225—18 first and 205 economy economy.

Airbus says that the second phase of the contract negotiations is now in progress, arranging for the financing of the firm contract for the first 12 A-310-300s, for delivery from 1986, and the 16 150-seater A-320s for delivery from 1988 or 1989, depending an choice of engine.

Financing of the options on the other 13 A-310-300s and 34 A-320s will come later. It is thought likely that the same commercial sources will be involved in the firm contract negotiations as were involved in the lease arrangement.

It is not yet settled whether Pan Am will relinquish any of the leased aircraft on taking delivery of its firmly ordered Airbuses. It may find the biggest A-300B-4s so useful that it will wish to retain at least some.

Kuwaitis to sell lead-free petrol in Europe

By Maurice Samuelson

KUWAIT Petroleum International, which last year took over 1,500 Gulf Oil service stations in Europe, is to start selling unleaded petrol at 30 of them today and says that within three months 150 will be selling unleaded petrol.

KPI, a wholly owned subsidiary of Kuwait Petroleum Corporation, begins sales of lead-free fuel at 30 service stations in Denmark, Sweden, the Netherlands, Belgium and Luxembourg today. It claims that although unleaded petrol has been available locally in a few European countries for some time, it is the first multinational to make it available across a group of countries.

Lead-free petrol will not be sold at the Gulf outlets in the UK and Switzerland, which are still owned by Gulf Oil. The unleaded KPI fuel, produced in the Netherlands and Denmark, will be sold under the brand name "2065."

The move is a response to the growing belief that lead in petrol, which improves fuel efficiency, is a hazard to human health.

KPI estimates that some 25 per cent of cars in Europe can run on lead free petrol, including all Volkswagen vehicles built since 1977. Most other European motor manufacturers are moving in the same direction and many, says KPI, are expected to publish lists of models able to use unleaded petrol early next year.

End of Indian controls urged

INDIA'S import substitution policies and strict industrial controls have outlived their usefulness, Mr Abid Hussain, the Commerce Secretary, said yesterday, Reuter reports from New Delhi. Quality goods cou'd be produced only by free and fair competition. Mr Hussain heads a committee which will present a report on trade policy to the government next week.

Oman dam contract

THE SHAND Group, based at Matlock in Derbyshire, has won a £7m contract to build dams in the Gulf state of Oman, to prevent floods and to conserve water during flash rains. Mr Paul Fryer, overseas marketing manager, said yesterday that work was due to start next month and labour would be recruited in India. The two dams will be supervised by specialist engineers from the Derbyshire company.

Jail terms for computer theft in Taiwan

BY ROBERT KING IN TAIPEI

A TAIWAN appeals court has sentenced the heads of six computer companies to six months each in prison for counterfeiting. The sentences may be offset however by a provision of Taiwan law that allows convicted persons under some circumstances to convert jail terms of six months or less to fines at the rate of roughly 23 cents a day.

Last February a lower court handed down sentences of eight months each to the six, who were convicted of copying read-only memory, ROM, software registered here by Apple. Those previous sentences would have ensured that the six would have spent some time in jail.

Upon appeal, however, the puter software is still not covered by Taiwan's copyright laws and that Apple's registration of its ROM code had no legal force.

They also argued that the circuitry containing the offending software had been made by other firms, among them were a Government investmented, and that they were being unfairly singled out.

The appeal court's decision appears to be a compromise solution aimed at resolving a touchy and unprecedented case without actually insisting that the defendants serve time in jail.

Ireland hopes for microchip investment

BY BRENDAN KEENAN IN DUBLIN

IRELAND'S Industrial Development Authority is said to be confident of securing two major U.S. electronics projects for the country. Advanced Micro Devices (AMD) and Mostek are both said to be planning to locate microchip manufacturing plants near Dublin.

Reports in Dublin say the IDA will have to put up almost I£90m (£76m) in grants to attract the two companies. The existing Mostek plant has already received one of the highest levels of grant aid given to any single-company in Ireland.

Wescan, a subsidiary of the U.S. Westinghouse company is also to invest £1.6m to increase its production of computer terminals in North Dublin. It manufactures computer terminals for airlines, and networking systems for banks and insurance companies.

Meanwhile, a leading Hong Kong clothing company, the Fang group, is to invest £4 in a major manufacturing plant in North Dublin to produce a range of clothes. The project, which is being grant-aided by the IDA will create 1,000 jobs in the next two years.

The venture will be called uShamrock Apparel, and production is expected to start early next year. Output will be exported worldwide.

U.S. changes rules on textile imports

WASHINGTON — The U.S. Commerce Department is to begin limiting the amount of certain textile and clothing products that can enter the country each month, with effect from January 1.

Under the new rules, monthly imports of specified products including some categories of cotton, wool and artificial fibres will be limited to 20 per cent of their annual quota each month. The monthly limit will apply to products that reached their quota in the previous year and which may cause market disruption if allowed uncontrolled entry.

Under present rules, goods are forbidden entry into the U.S. for the balance of the year once imports reach their full-year quotas. At the start of the next year, the import ban is lifted

Theoretically the full quota can be shipped in one month disrupting the market and cutting prices sharply. The monthly limits are designed to end disruption by forcing the imports to enter on a more regular basis.

In Brussels, the European Community decided to delay until tomorrow a decision on a plan for ending a steel trade dispute with the U.S. France demanded that the deadline on whether to accept new terms for settling the dispute over U.S. imports of steel pipes and Reuter
tubes made in the Community be extended while it sought firmer exemption assurances.

Why West Germany can ignore its patent exchange deficit

Rupert Cornwell reports from Bonn on a study by the German Economic Institute on patent flows between leading industrial nations.

AT FIRST GLANCE, the syllogism looks impeccable. West Germany runs a substantial deficit in its international exchanges of patents and licences. Such know-how constitutes a touchstone of a country's industrial sophisucation. Therefore, the position of West Germany at the technological forefront is in danger.

But syllogisms have a habit of being spoilt by false premises. And so it may well be in this case too, if the implications of a comprehensive study on patent flows between the major industrial nations compiled by the German Economic Institute (IW) are anything to go by.

At one level, of course, Europe's biggest economy does look to be doing far less well than it should, worse not only than Britain (which has a small but steady surplus in patent exchanges) and France, but also than Italy.

Nor does it come as any surprise to learn that the dominance of the U.S.—as indeed in the current distribution of Nobel prizes—is little short of absolute.

Since the beginning of the last world war, America has captured more Nobel scientific awards than all other countries put together. Its income from the sale of patents and licences abroad, at $6.6bn in 1983, was more than double that of the next five most important Western countries, Britain, France, West Germany, Italy and Japan, combined.

Expressed another way, the earnings of the U.S. in this field amount to almost 4 per cent of its exports of goods. In the case of West Germany, whose physical exports are now close to those of the U.S., the proportion is just 0.3 per cent.

In fact, though, things are less grim than they seem. In the first place, although the West German patents deficit rose by half in absolute terms between 1973 and 1983, it dropped as a share of overall knowhow exchanges from 47 per cent to 33 per cent. In other words, income from the sale of patents and licences tripled over the decade, while expenditure did not even double.

Second, the German figures cover only technical and industrial knowhow. They exclude such items as trademarks and copyrights, areas where the country is strong.

But perhaps the most significant finding of the IW study is the strong correlation which exists between capital flows and patent exchanges. As is suggested in the case of Germany, a trading giant but a patents dwarf, patents have little to do with success or otherwise in physical commerce.

But their connection with direct capital investments is another matter. The countries to which West Germany pays out most for patents are those which have invested most in West German industry. According to the Bundesbank, 70 per cent of all patent fees are made by subsidiaries of foreign-based parent companies.

Not only that, but the breakdown of disbursements for patents mirrors that for foreign investment in West Germany. The U.S. accounts for 42 per cent of investment, and 56 per cent of patent outgoings, Switzerland 14 and 17 per cent respectively, the Netherlands 9 per cent and 11 per cent.

If the foreign subsidiaries, paying for patents from their parents overeas, are left out of the reckoning the picture changes utterly. In that same decade from 1973 to 1983, purely "German" companies more than doubled their patents *surplus* from DM 243m to DM 577m. "Proof," says the IW, "of the technological capacity of the German economy."

Unsurprisingly, of the more narrowly defined patents surplus, the lion's share — or DM 300m—stems from the country's powerful chemical industry, followed at some distance by the electronics and data-processing industry.

Of course, none of this fundamentally changes the broader picture, that only Japan is a bigger net importer of patents than West Germany. But the fact, for example, that Britain is the only major European economy to show a patents surplus may have as much to do with the huge foreign holdings of British industry as with Anglo- Saxon inventiveness.

German industry also seems to be relatively unworried. A recent survey by the German Chamber of Commerce and Industry of 14,000 companies found a majority of them more than happy with their technology. A quarter of them reckoned they were world leaders in their sectors, and only 10 per cent felt there was any significant catching-up to be done.

Australian steel action provokes South Korea

By Steven B. Butler in Seoul

THE POHANG Iron and Steel Company (Posco), South Korea's principal steel producer, has retaliated against Australia's lifting of preferential tariff treatment for Korean steel by scaling back its planned 1985 purchases of Australian coal and iron ore.

The conflict raises an issue that goes beyond the immediate dispute over steel duties. More and more countries are beginning to see South Korea not as a developing country that needs preferential treatment, but as an industrial power that can compete on equal terms with other developed nations.

The import cut of 150,000 tons of iron ore and 100,000 tons of coking coal is small compared with the company's purchases from Australia of 4.8m tons of iron ore and 2.85m tons of coking coal a year.

The Koreans have long asked the Australians to do more to correct a trade imbalance that in 1983 ran three to one in Australia's favour on a total bilateral trade of $1.3bn. Australian embassy officials described the cutback as "a warning shot across the bow."

Australian officials, however, say the imbalance is largely structural: Korea imports large quantities of raw materials from Australia, while Australia's population of 15m provides a market for only a limited quantity of Korean-manufactured consumer goods.

The Australian Government allowed Korean steel to be imported on a developing-country-preference basis with the understanding that South Korea would sell only within an allowed quota. Posco, however, sold an equal amount outside the quota, paying ordinary duties on the steel.

Australian officials say South Korean penetration of the market shows it does not need the preferential rates. Officials of South Korea's Ministry of Trade and Industry insist that Posco, which relies on Australia for 40 per cent of its raw materials, acted entirely on its own initiative, and that Government policy is to encourage growth in bilateral trade. Observers believe the Government is concerned that the Australian move could set a precedent.

UK NEWS

Power stations to cut oil use despite coal strike

BY MAURICE SAMUELSON AND BRIAN GROOM

SO MUCH COAL has been reaching power stations that the electricity industry is preparing to reduce the amount of oil it has been burning to conserve its stocks of coal.

That decision, made known to Mr Peter Walker, Energy Secretary, by Sir Walter Marshall, chairman of the Central Electricity Generating Board (CEGB), is the strongest evidence to date that electricity supplies are remaining immune to the miners' strike.

It comes as Mr Arthur Scargill, president of the National Union of Mineworkers (NUM), gave a warning that "the Government had better understand that if they do not want the dispute to go on until Christmas 1985 they must allow the coal board to negotiate with the NUM."

Since March 28, three weeks after the strike began, the CEGB has been officially committed to maximising its oil burn, regardless of the huge additional bill that will somehow have to be met when the strike is over.

It has done that so successfully that it is confident that even if the weather suddenly becomes bitterly cold there will be no national power blackouts, or a need for power rationing like that introduced in the three-day working week of 1974.

The CEGB said last night: "We are reviewing the situation the whole time. Obviously, the amount of oil we are burning is directly related to the amount of coal we receive."

The first result of the new policy is believed to have occurred this week, when the low demand for electricity on Christmas Day and yesterday enabled the CEGB to make less use of its large oil-fired stations on the Thames and the south coast of England and proportionately more from the coal-fired power stations near the Nottinghamshire coal field, where most miners are working.

Non-Opec producers 'to meet 2% rise in Western demand'

BY ANDREW GOWERS

OIL DEMAND in the Western world is likely to average 47.1m barrels a day (b/d) between now and next June, an increase of nearly 2 per cent over the estimated average this year.

All the increased demand, however, is likely to be met by increased production from the UK and other non-Opec sellers of oil, according to stockbrokers Grieveson Grant. They estimate that average output from producers outside Opec including net exports from the Communist bloc, is likely to increase to 27.8m b/d by next June from 27.1m b/d at the beginning of October 1984.

In its latest Opec comment, Grieveson Grant estimates that oil companies are currently unloading stocks at a rate of 3m b/d, possibly bringing the free world's oil stocks down to the equivalent of 70 days' supply.

It suggests that de-stocking may be on the increase, as a result of relatively high government stocks and the ready availability of oil on the spot market.

The analysis says decisions by the British Government in coming weeks will be crucial to the oil market, and emphasises that the UK authorities need to clarify their position.

Among options open to the Government, it says, are:

● *Retreating from the market and* letting the industry determine the price. That, the report says, would "result almost certainly in a significant deterioration in relations between the UK and many Opec members."

● Scrapping the British National Oil Corporation (BNOC) and fixing prices directly with the big North Sea oil companies, which might lead to even more volatile spot market prices.

● Imposing production controls. Grieveson Grant favours that option, although it acknowledges that it would be opposed by oil companies and would entail a significant change in government policy. "There is one overwhelming factor behind the need for production restraint – the failure of the UK in recent years to replace proven reserves at current rates of output," it says.

Jaguar in European dealer shake-up

By Kenneth Gooding, Motor Industry Correspondent

JAGUAR will start 1985 with a shake-up of its European distribution system outside the UK which is intended to increase its luxury car sales in continental Europe from about 4,000 to 10,000 by the end of the decade.

The company, which was sold back to the private sector by BL last August, has appointed new importers in Belgium, Luxembourg, Ireland, France, the Netherlands, Italy and Spain which will between them invest up to £10m in Jaguar's future.

Jaguar expects that at least a quarter of its 350 dealers in continental Europe will give up the franchise in the immediate future because they will be unwilling or unable to meet the higher standards of sales and service demanded. By the end of next year, only about half of the existing dealers are likely to remain.

Jaguar will not be giving any "golden handshakes" to departing dealers as it has in the U.S., where a similar reorganisation was started earlier this year. In the U.S. the 30 dealers (out of 186) asked to quit were offered $5,000 for each car they would have been allocated in the 1984-85 sales year. Some have not agreed to the terms and litigation is pending.

The changes Jaguar is making in Europe are the final stages of a scheme to separate its distribution system from that of Austin Rover, its former stablemate within the state-owned BL group. From next month the two companies will have split their import-distribution business everywhere except in Portugal.

Jaguar has already revamped and strengthened its dealer networks in the UK. Earlier this year it started a strategic thrust into West Germany, home of its main rivals in the luxury car market.

Jaguar Deutschland began operations in January with a capital of DM 6m (about £1.6m), 35 per cent supplied by Jaguar and the majority by the Emil Frey group of Switzerland. The new company immediately served notice on 50 dealers and estimated it would have to dismiss 60 of the remaining 90. Those who stayed on performed so well that 1984 Jaguar car sales were about 2,000 compared with 1,300 last year.

Mr Johnson says Jaguar aims to capture 10 per cent of the West German luxury car market by 1990

British Airways to increase Concorde use

By Michael Donne

CONCORDE is proving increasingly popular and profitable for British Airways (BA) and the airline is planning to use the aircraft more during the coming year.

An extension of scheduled services is under study, although no early decisions are likely. One possibility is that when BA takes over the South American network from British Caledonian in April, a resumption of Concorde services to Rio de Janeiro and Caracas may become possible.

Air France used to fly Concordes to both destinations from Paris, but suspended them for lack of traffic.

Concorde charters will be substantially increased next year. Already 185 charter contracts are booked and that is expected to rise. Over the past year, 170 charter contracts were fulfilled, although at the beginning of the year only 100 had been planned.

The charters vary widely, from a few hours round the Bay of Biscay for clubs and other organisations to flights across the world. One charter on Christmas Day went to Lapland. Among organisations making regular use of Concorde is Cunard.

The airline declines to give precise figures for Concorde revenue, but it is believed to be well over £12m a year and that the aircraft generates profits.

Rise in spending 'main impetus for growth'

BY PHILIP STEPHENS

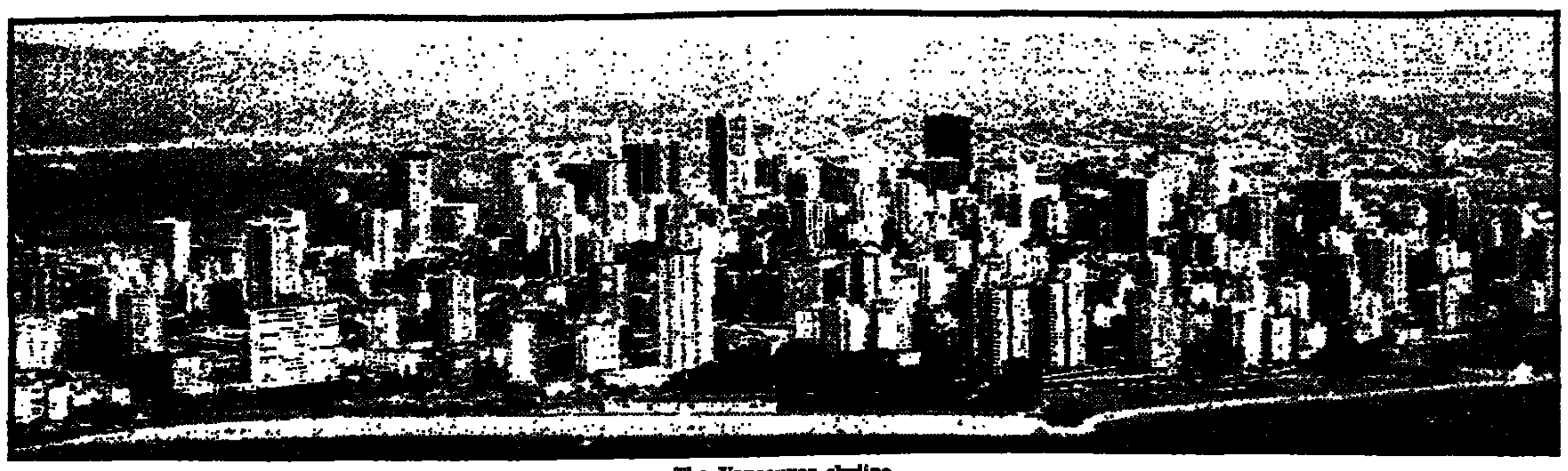
CONSUMER SPENDING will provide the main impetus of economic growth next year, rising by about 3 per cent in real terms compared to 1984, according to independent forecaster Staniland Hall.

The projected increase, which would follow growth of 2.3 per cent this year, will be fuelled by the continued buoyancy of real incomes and an expected end to the miners' strike, the company says in its latest review of spending patterns.

It predicts that the spending will be spread broadly throughout the different consumer sectors, with the strongest growth coming in sales of cars and electrical goods.

Spending on cars, which fell by an estimated 5 per cent in 1984 after the surge last year, is forecast to rise by 6 per cent in 1985, while outlays on electrical goods are expected to continue to grow by about 5 per cent.

Other sectors that will benefit by more than the average include clothing and footwear, and wines and spirits, Staniland Hall says.



The Vancouver skyline

Bernard Simon on development activity in Canada's most western province

Vancouver: A city poised for recovery

VANCOUVER property developers appear to be defying the laws of supply and demand. At a time when one in every five offices in the city stands vacant, and landlords are offering prospective tenants up to six months free rent plus furnishing, new office construction is at record levels.

But the Canadian, British and Far East investors putting up the new tower blocks may turn out to be shrewder than they seem.

They have chosen to locate their products in a corner of North America untouched by the economic recovery of the past two years, taking advantage of plentiful materials, keen competition among suppliers and usually moderate labour costs. In addition, the new buildings may be ready for occupation just as the economy of western Canada begins to catch up with the rest of the continent again.

Some observers aready believe that the clouds of gloom which have enveloped British Colombia, Canada's most westerly province, are about to lift. Mr James Matkin, president of the local Business Council representing BC's employers, argues that "things have to get really bad before they get better. In British Coloumbia's history, we're right at that mark".

Low commodity prices, labour strife and a harsh austerity programme imposed by the provincial government have ravaged business and consumer confidence for the past three years. While the rest of north America has basked in an economic recovery, British Columbia has suffered negative real growth for two years out of three, with a meagre advance of 1.5 per cent in 1983. Unemployment remains close to 15 per cent.

The Vancouver Food Bank, formed in late 1982 to provide groceries to needy families, this month raised the number of parcels it distributes from 2,500 to 3,000 a week. A long line of recipients queueing outside the city's Anglican cathedral each Wednesday morning is a stark contrast to the gleaming office blocks and hotels around them.

British Columbia can probably claim the poorest labour relations record in north America. Stoppages in the past 12 months alone have shut pulp and paper mills — the backbone of the economy — for 10 weeks, halted Vancouver's bus services for most of the summer and kept the city's main daily newspaper off the streets for a month.

The economic slump is mainly the result of depressed prices for lumber and mineral products which make up the bulk of the province's exports. Exports in turn account for over a quarter of total output.

British Columbia forest products companies have lost an estimated C$1.5bn (£954m) in the past three years, while the mining industry has suffered losses of close to C$400m. Fifteen mines have closed, and Japanese steel mills are keen to renegotiate prices and volumes with the large new llcoal producers in north-eastern BC.

Hard-line policies of the right-wing provincial government headed by Mr Bill Bennett have further dampened economic activity and fanned trade union anger. Espousing a policy of short-term pain for long-term gain (the key word has been restraint), the Government has cut education, health and social services, laying off several thousand civil servants. Initially supported by employers, Mr Bennett has more recently antagonised business by imposing a number of hefty tax increases. Macmillan Bloedel, Canada's biggest forest products group, warned in its latest quarterly report that high wage rates, taxes and logging costs in British Columbia have put it in a position "that cannot be sustained if the company and the entire integrated coastal forest products industry are to remain competitive in the international marketplace."

MacMillan Bloedel and others have responded by diversifying outside the province. Another Vancouver-based group, Finning Tractor, has bought two of Caterpillar's three dealerships in Britain during the past 18 months.

The best hope for British Columbia in the short term would be stronger commodity prices. But even in the absence of a minerals and foreign products boom, a number of initiatives are under way which may have a significant bearing on the future of western Canada, and BC in particular.

Canada's new federal government, headed by Mr Brian Mulroney, is reopening the controversial issue of free trade between Canada and the U.S., the world's two biggest trading partners. No one yet knows whether, when or how a recent series of talks between Ottawa and Washington on free trade in four specific sectors (including urban transit equipment and special steels) will be expanded. But public opinion throughout Canada appears to favour some broadening of these discussions.

Freer trade between the two countires is the spur that British Columbia needs to diversify its economy. For example, in spite of vast timber resources, a furniture industry has so far failed to materialise. Conversely, local businessmen think that a relaxation of Canadian curbs may encourage an influx of foreign financial institutions of Vancouver.

One big obstacle to the federal government negotiating better access for western Canadian products to the U.S. market is the effect of reciprocal concessions that would have to be made to American manufacturers upon the industrialised provinces of Ontario and Quebec. Jealousies between Canada's 10 provinces arising from their divergent economic interests are among the factors which have thwarted progress towards trade liberalisation in the past

Within British Columbia, the provincial government has begun to recognise that initiatives are needed if the province is to attract investment and capitalise on the window to the Far East which it shares with the west coast states. Mr Bennett said in an interview that his main priority now is "to broaden the economic base in the area of manufacture and exports. Our economy can only be built on exports."

South-east Asia has already displaced Europe as western Canada's main trading partner. Besides Japanese investment in the north-eastern BC coal mines, Far East interests are increasingly active in the Vancouver property market. Hong Kong investors earlier this year bought the province's largest shopping mall in suburban Vancouver.

Mr Bennett, who has himself visited Japan and China in the past year, has instructed his ministers to step up their foreign travel in a bid to generate trade and investment.

In addition, the provincial government is working on what Mr Bennett calls an "industrial encouragement package" to revise business confidence and attract more secondary industry. The plan, likely to be unveiled next February, will probably include tax cuts. If the province can persuade Ottawa to agree, it will also set up Canada's first duty-free processing zones.

To make zones even more attractive to business, the Bennett Government has hit on the idea of exempting them indefinitely from collective bargaining legislation, thus insulating them from BC's high labour costs and heavily unionised workforce.

The plan has infuriated trade unionists, but there is little they can do to stop it. The recession has severely weakened and divided the union movement. Membership of the International Woodworkers of America in British Columbia has plunged by almost 30 per cent since the onset of the recession, several of the new projects in downtown Vancouver are being built wiht non-union labour—one way in which the developers are able to hold down construction costs.

A deep split has opened up betweeen moderate private sector unions whose members are hardest hit by redundancies and wage cuts, and more militant public sector groups like teachers.

In spite of the rash of stoppages in key sectors of the provincial economy this year, there are signs that industrial unrest is abating. A planned lock-out of railway workers, which would have crippled coal and lumber exports, was averted at the last minute earlier this month. The most noteworthy event organised recently by Operation Solidarity — formed last year to fight the Bennett government's presentation policies—has been a picnic.

The question is how long a truce on th elabour front will last. Political loyaities are more sharply defined with a higher ideological content in British Columbia than anywhere else in Canada. A senior official of the International Woodworkerse warns that when the province's economy turns up again, unions will waste no opportunity to get even with the Gennett government and big business.

Japan looks to Expo '85 to save planners' dream

Richard Tomkins tells of a sea of mud destined to become a city of steel and glass

THE BODY of New Orleans' bankrupt Expo '84 may not yet be cold, but already the countdown has begun to the opening next spring of the 1985 world's fair in Tsukuba, Japan.

Out of a 250-acre sea of mud 35 miles north-east of Tokyo a futuristic mini-city of steel and glass, computers and robots, screen images an dspace rides, is beginning to emerge.

Japan is investing Y570bn (£1.9bn) in the venture, much of which will never be recouped. The Government will regard the money as well spent, however, if the exposition succeeds in injecting new life into Tsukuba Science City, an artificial town designed to be the scientific capital of Japan, but which has yet to live up to the planners' dreams.

Tsukuba Expo '85 will be essentially a science fair, but aims to present technology with a human face. It goes by the subtitle "*Dwellings and Surroundings: Science and Technology for Man at Home.*"

It will open on March 17 for six months and the organisers are hoping for 20m visitors with, perhaps, 5 per cent of them coming from overseas.

Among the attractions will be Sony's Jumbotron, the world's largest television set with a screen the size of four tennis courts; the Fuyo robot theatre, where visitors will be invited to play games with the robots; a giant tomato tree bearing about 10,000 tomatoes, which will be grown by guiding sunlight into its pavilion through optical fibres; and the world's largest ferris wheel, taking passengers to the height of a 25-storey building.

The stated aim of Expo '85 is to allow different nations to share the science and technology associated with their different cultures and to examine how scientific progress can be adapted to the environment and enrich people's lives.

Its origins, however, lie in a more practical question: how to revitalise Tsukuba Science City, a new town in a no-man's-land that has never really taken off.

Tsukuba (pronounced "scuba" with a short "u") was born in 1963 out of Japan's fears that its industrial and technological successes could fizzle out unless more was put into basic research. "High on imitation, low on innovation" was the common criticism of Japan and the government wanted to counter it.

The result, Tsukuba Science City, was an attempt to gather the country's top researchers together in an atmosphere where creative ideas might blossom, and simultaneously to promote decentralisation from overcrowded Tokyo.

Most of the country's research establishments have been transferred to Tsukuba—about 50 are there now—and a university has been built. The new academic core of the city is surrounded by six older towns and villages whose presence is intended to balance the specialised centre.

Whatever contribution Tsukuba may have made to Japan's research capability, it has not proved popular to live in. The core of the city was designed to hold 100,000 residents by 1990: it is still less than a third of the way there.

For such a bold investment in the future of Japan, Tsukuba has been singularly lacking in impact. A Expo official said that probably 90 per cent of people in Japan had never heard of the science city and the 10 per cent who had would not know where it was.

The Government hopes siting Expo '85 at Tsukuba will give the city the shot in the arm it so badly needs. Among the spin-offs from which it stands to gain are national and international publicity, new hotels, restaurants and roads, and an expressway to Tokyo.

One of the biggest obstacles to the development of Tsukuba —and one of the main difficulties which the Expo organisers have to face—is the city's inaccessibility. The nearest railway station is more than half-an-hour's drive away and up till now there has been no direct road link with Tokyo.

To cope with the expected influx of visitors to the fair a temporary railway station 8 miles from Tsukuba is under construction and fleets of buses will connect it with eht Expo site. The Tokyo expressway is due to open by March.

The other main difficulty faced by the organisers is the lack of accommodation. They say that Expo visitors will need three days to see everything properly. However, by next spring there will still be only 22,000 hotel or guest house beds within 20 miles of Tsukuba and a large proportion of these will be taken up by site personnel.

The organisers have set their sights high in aiming for an attendance of 20m—a sixth of the population of Japan. Nevertheless, they naturally want to avoid an expensive flop and they are working hard to achieve their target with an intensive publicity campaign. If it succeeds, Tsukuba's resources of transport and accommodation are clearly going to be severely stretched.

As one observer put it, the two biggest problems which Tsukuba faces are first, that it won't attract enough people to the Expo, and second, that it will.

THE ARTS

Television in 1984/Christopher Dunkley

A good year for ITV. . . but trouble for BBC

In television 1984 was the *year of India and George Orwell*, of Torvill and Dean, of Jesus doubters and incest, of the Olympic Games and all those other games — more game shows than ever before on British television. It was also the year which saw the deaths of five men, each with a unique sense of humour: Reggie Bosanquet, Tommy Cooper, Eric Morecombe, John Betjeman and Leonard Rossiter. Each contributed importantly to television during its formative years and for that reason if no other the medium is never again likely to lose five people of such significance in such a short time.

For most of the year commercial television seemed to find the going easier and easier while the BBC felt that life was more and more difficult. Yet again the ITV companies were inundated with record income as demand for advertising time outstripped supply. This was the real reason why the advertising agencies launched a campaign demanding that the BBC take advertising: not because they thought BBC programmes would *be improved by the insertion of* commercials for lager and fish fingers but because they were desperate to break ITV's monopolistic hold on television advertising rates.

As it happened there was, towards the end of the year, the first major deceleration for a long time in what had come to seem the inexorably increasing flow of cash into the ITV companies. A shiver of shock and foreboding ran through the ranks, but there was plenty for the ITV people to hang onto: the Government had already promised that they would not be considering the idea of BBC advertising *for at least* one more licence period, so there was no immediate threat from that quarter; ITV audiences remained larger than the BBC's; and in the latter half of the year ITV programmes were winning not only ratings at home but many prizes abroad. Best of all, the Independent Broadcasting Authority seemed to be changing its ideas and lining itself up solidly with the companies.

When the media sociologists of the third millenium come to write the history of television it could be this which they see as the most significant aspect of 1984. Perhaps it was the influence of the new director-general, John Whitney, or perhaps an inevitable re-interpretation of the IBA's role to conform more closely to Thatcherite market philosophy. Maybe it was the realisation that eventually new technologies, by banishing rarity in television and radio channels, will make government appointed broadcasting "authorities" as anachronistic as printing authorities. Whatever the reason the IBA began to look more than ever like the friend of the commercial television companies and less than ever lik the conventional champion of the viewers.

Thus when ITV's breakfast television company TV-am lowered its sights repeatedly in a desperate bid to make profits quickly, abandoning the idea of a serious news and current affairs programme for which the licence had been granted and offering instead the most trivial sort of chat show, the *IBA did nothing to stop them*. By the end of the year the cranking down of sights had reached the point where their output made American breakfast television look like *God's* gift to highbrows.

But the process was beginning to work: instead of attracting only 1.3m in their peak quarter hour on weekdays as they had at the start of the year they were managing 2.2m (a 10th of what *Coronation Street* was getting) at the end. Moreover at weekends and school holidays when their keenest fans were available — young school children — they *sometimes did even better*.

Michael Grade who during the 70s was director of programmes at ITV's London Weekend and who, in the summer of 1984, returned from his subsequent job in the U.S. to take over BBC 1 at the request of a deeply anxious corporation, turned a dramatic spotlight on another way in which the IBA had aligned its attitudes with those of the companies. Speaking to the Royal Television Society in November he gave chapter and verse on a whole list of relaxations in rules covering scheduling, violence and game shows which he said *would never have been allowed* in his day.


Peggy Ashcroft in "The Jewel in the Crown," the television event of the year, and George Cole and Dennis Waterman in "Minder," which worked right to the end

Admittedly on the only major occasion during the year when the IBA was obliged to take a hand in deciding whether two controversial programmes *should be screened they did not* come down on the side of permissiveness, but then these were programmes about trade unionism called *Questions Of Leadership* made by Ken Loach and conveying the message that some trade union leaders stood well to the right of certain rank and file members. They have still not been broadcast.

Furthermore it would be wrong to imply that the general influence of the Thatcher Government was towards greater freedom of choice for the ordinary viewer. On the contrary, the "Bright Bill" which became the "Video Nasties Act" during 1984 was the most extreme piece of legislation ever passed to control what we may and may not see in our own homes. Carried through on a wave of sentimentality largely concerned with what other people's children might get up to in homes belonging to friends with *irresponsible* parents, the new law did the opposite of what Thatcherites had always said they wanted: it removed responsibility from the individual and gave it to the state.

But what of the programmes which we were allowed to see? Having begun the year on the plains of India with *The Far Pavilions* we ended with a series of horrifying news reports about the Union Carbide disaster in India. In between television brought us the storming of the Sikh temple and the assassination of Mrs Gandhi. But the Indian series which quite rightly won the most applause was *The Jewel In The Crown*.

This huge 14-part ITV programme, devised by Irene Shubik and adapted by Ken Taylor from Paul Scott's Raj Quartet, rapidly proved itself the television event of the year. It was that rare phenomenon, a television series of unmistakable quality and integrity which also attracted big audiences: about 9m people watched, a staggeringly high figure for quality drama. Directed by Christopher Morahan and Jim O'Brien, the serial not only adorned the careers of many established actors and actresses from Peggy Ashcroft and Tim Pigott-Smith to Geraldine James and Zia Mohyeddin it also established Charles Dance, Art Malik and Susan Wooldridge (who played Guy Perron, Hari Kumar and Daphne Manners) as big names almost overnight.

Unsurprisingly the series came from Granada, the company previously responsible for *Brideshead Revisited*. Like *Brideshead* it has already won an *International Emmy Award* (in New York in November ITV swept the board, winning all five international Emmys) and when the time comes for Britain's annual television awards—the number of which seems to double every year—*Jewel In The Crown* will, surely, dominate the drama sections.

There will not be that much competition. The BBC, which won some of its biggest audiences for years with *The Thorn Birds* did not actually make that series,t he Americans did. And even if the BBC had made it they would hardly have entered it for any competitions after the deluge of ridicule and contempt poured upon it, *especially* by one *government* minister's wife whose judgment was so scathing that, in January, an entire campaign was launched by the Tories suggesting that the BBC might be left to whistle for an increase int he licence fee. This month that threat has become all too topical again.

The only other drama serials of note during 1984 were *The Boat*, shown on BBC2 in the autumn, a sympathetic account of *lifea board a U-boat* which was another import, this time from Germany; *Shroud For A Nightingale* in which Roy Marsden again played P. D. James's detective Adam Dalgliesh for Anglia Television; *The Invisible Man*, proving that the BBC can still make excellent classic adaptations for family teatime (though that was never in much doubt), and, starting yesterday, BBC1's *Miss Marple* which showed that Agatha Christie can be done superbly well on television: you just keep your tongue in your cheek.

In thesubtly different field of drama wesaw what was said to be the last batch of *Minder* from Thames Television's subsidiary Euston Films, and the magic—which was no emagic but the application of well known principles concerning the use of film, good writers, directors and editors, and a briliant bout of initial casting—worked right to the end.

ITV's *Auf Wiedersehen Pet* about a gang of British building workers who find jobs in Germany, won some praise and reasonable ratings but to me it always seemed to be trying too hard to match a formula. It was difficult to avoid the *feeling* that somebody had told the makers: "Remember *Boys From the Blackstuff*, hang onto the *social awareness* and play up the comedy." *Hill Street Blues*, which came from the U.S. and was switched late in the year from peripatetic appearances on ITV to a regular slot on Channel 4, was also, clearly, working to a formula but supremely successful one: a mixture of realism, idealism, studied wacwkiness, social concern and high drama, all set in a busy police station. Though that may sound too studiously clever by half it worked wonderfully well.

It was yet another of those years, they are now the rule, when drama serials and series outshone the single plays. The one outstanding single production, *Threads* for BBC 2, was memorable at the year's end not for its acting or direction but for its subject matter: a nuclear war wiping out Sheffield. London Weekend offered a pleasant batch of plays which had been sitting for years on the shelf, including *Grand Duo* with Judy Parfitt and Prunella Scales playing a pair of middle class pianist/wives who broke out of their comfy ghetto, and *Singles Weekend* in which Brenda Blethyn again showed that gormlessness can be a fine art. Channel 4's *est* flew a brave but lonely banner for non-naturalism with its stylised studio production of a cockney "West Side Story."

Good comedy was again in *dreadfully short supply. At the* start of the year *Alas Smith and Jones* reminded us of what we lost when *Not The Nine O'Clock News* finished, and although *A Kick Up The Eighties* offered scope to Robbie Coltrane, one of the most versatile comedians to appear for years, the programme really wasn't in the same class as *Mony Python* or *NTNO'CN*. Unfortunately Central Television's *Spitting Image* did not quite work either, *though the idea of using* Luck and Flaw's puppets seemed such a good one.

After the usual numerous launches of conventional half-hour sitcoms the only one which stays in the mind is *Thames's Fresh Fields*. In selecting the mid-life years of a marriage as his subject John Chapman was not startingly original—every one seemed to be doing the same and the screen was awash with ageing parents trying to rid themselves of overgrown children. But *Fresh Fields* starred Julia McKenzie and Anton Rogers who worked remarkably well together.

Documentary series were again very strong. If one were making awards this would be the most difficult category, the *contenders including Channel* 4's China series *The Heart Of The Dragon*; ITV's fearful warnings about the razing of the rain forests, *Decade Of Destruction*; BBC1's lighter but fascinating series on partnerships, married and otherwise, *The Other Half*; Thames's powerful mafia series *Crime Inc*; and Granada's revealing *28 Up*. But in the end the honours would be split between BBC1's *The Living Planet* in which David Attenborough again proved himself one of the true masters of this medium and—probably my own choice by a small margin—Peter Pagnamenta's engrossing BBC-2 series about Britain's industry and workforce. *All Our Working Lives*.

The year also brought the first two religious *series that I* have ever seen which, instead of offering reassuring platitudes or much loved hymns or some other endorsement of belief actually questioned the basis of faith: *Jesus, The Evidence* from London Weekend in the spring and *The Sea Of Faith* from BBC2 in the autumn. Both were brave and worthy efforts in a great English tradition of non-conformist thinking with Don Cupitt, writer and producer of *The Sea Of Faith*, first proving the agnostic case to the satisfaction of any normal viewer and then declaring himself a believer not so much because of the evidence as despite it.

Yet again the year's best news programme was *News At 10*, the best current affairs series was *Newsnight*, and the most reliably amusing series was *Minder*, though those of us living in London also learned to watch *South of Watford* for a consistently entertaining and good humoured slant on popular culture.

Dance maintained its growing importance to the medium with two series which, instead of simply borrowing from the theatre, set out to create material specifically for television: BBC l's *Hot Shoe Show* and BBC's *Dancer*. The first was a light entertainment series featuring Wayne Sleep in which the music and the décor were sometimes more impressive than the dancing, and the second was a series presented by Peter Schaufuss *with the declared intention of* clarifying and emphasising the significance of the male dancer in the world of today's ballet, an ambition which it fulfilled admirably.

There were, as ever, the programmes and events which were memorable for all the wrong reasons: BBC1's early evening news and current affairs series *Sixty Minutes* came and went frightfully quickly, and the BBC's head of *Music and Arts left the* corporation even more suddenly, declaring that he was suing Private Eye. The enormous series *All The World's A Stage* set out to do for theatre what *Civilisation* had done for the fine arts but in the end did for presenter Ronald Harwood what *Sixty Minutes* had done for Desmond Wilcox.

As the year comes to an end Granada's unique current affairs series *World In Action* celebrates its 21st birthday. Tonight on ITV there is a fascinating collage of clips from the programme's archives. Looking ahead to 1985 we have the prospect of ever louder arguments over the BBC licence fee (to be followed inevitably by a rise of some sort) the televising of Parliament for the first time, though only the Lords for the moment, and the threat of seven or eight chat shows a week from Wogan and Harty at the BBC. They are also about to launch *East Enders* their answer to the ITV soap operas.

Hottest topic of the new year on television, however, is going to be *Fleet Street: on January 2* Thames present a 60-minute special about The Times called *The Greatest Paper In The World!* On January 9 ITV begin a six-part drama series called *Lytton's Diary* which stars Peter Bowles as a Fleet Street gossip columnist, and Anglia's *Inside Story* is a drama series about a prestige Fleet Street newspaper threatened with takeover by a ruthless tycoon, to be played by Roy Marsden. It will make a change from 1984 . . . or will it?

David Murray starts a series of reviews of the year's concerts by our music critics

Calendar of riches which failed to produce a highlight

1984 wasn't a musical year that I shall remember, and yet it had a *real embarras de richesses*. It simply happened to lack any memorable festival or cycle of concerts—within range of me, anyway—that would give it a mental date-stamp. The nearest thing to it was probably Jorge Bolet's lunchtime series for the City of London Festival, a generous opportunity to appreciate a master-pianist in a wide repertoire.

The most ambitious composer-oriented London "festivals" didn't quite work. Claudio Abbado's Beethoven cycle with the London Symphony, eminently serious, was chiefly distinguished by fine readings of particular movements: symphonic wholes obstinately refused to emerge, though Maurizio Pollini set an imperial standard for the "Emperor" Concerto. The London Sinfonietta's Ravel/Varèse *hommage* didn't match their own standards in previous expeditions; putting Ravel's piano and chamber music and songs in the hostile acoustic of *the Royal Opera, but staging L'Heure espagnole* in the Festival Hall, was proof *a priori* that things had gone off the rails. The conductor *David* Atherton was brilliantly assured in Varèse, and gave us a *Daphnis* of quite unexpected grace and rhythmic subtlety; but a Ravel "festival" should have explored the posthumous discoveries more assiduously, and shouldn't have included so many performances plainly inferior to what seasoned Ravelians can do.

Without any special musical theme, the Edinburgh Festival still had its moments; a pall was cast, however, by the miserable size of the audiences for major events. The Bath Festival, much more thoughtfully planned (by Sir William Glock, for the last time), expects you to stay for longer than I could do: I heard tantalising snatches of its featured composer, György Kurtág, and magnificent Schubert by Brendel and by the Endellion Quartet with Steven Isserlis. *The amiable Spring Festival* in Kurtág's home town, Budapest, was innocent of any serious planning at all, despite an abundance of musical talent.

With that, I'm reduced to cataloguing performances that I admired especially. A *Prom season included* John Eliot Gardiner's marvellous realisation of the Monteverdi Vespers in Westminster Abbey, and a continuation of the happy Mozart collaboration between Murray Perahia and the English Chamber Orchestra, and Felicity Lott's easy, glowing account of Strauss's Four Last Songs. (South Bank Summer Music this year offered a thin menu and no real competition.) Among visiting orchestras the Warsaw *Philharmonic under Kazimierz* Kord did wonders with Rakhmaninov's 2nd Symphony, and Lawrence Foster's notably stylish programme with the Monte Carlo Philharmonic was crowned by Ravel's two-hand concerto (Tamas Vasary in superlative form).

Rakhmaninov's Vespers made a great impression in James Wood's performance with his New London Chamber Choir, an dsome other French music enjoyed finely idiomatic treatment: from Brighton the Fauré Requiem under Andrew Litton, an ECO concert with Michael Tilson Thomas, Fauré's First Piano Quintet by the Fitzwilliam Quartet with Allan Schiller, and — above all — Cécile Ousset's faultless playing in concertos by Franck and Saint-Saëns. Visiting with their new conductor Skrowaczewski, the Hallé Orchestra offered an elegantly light Beethoven Seventh that matched Masur's with the Royal Philharmonic; the Hallé is evidently in top condition.

Wanda Wilkomirska displayed absolute authority in Szymanowski's First Violin Concerto and another extraordinary violinist is Augustin Dumay, whose Wigmore recital with Jean-Philippe Collard was masterly; and the young Russian Mark Lubotsky *made a comparable* impact in Smith Square with a no less excellent pianist, Boris Berman. Recalling Berman's searching Shostakovich readings, I recall also the searing performance of the Sixth Symphony by Sanderling with the Philharmonia.

More pianists: *Alicia de Larrocha* found an exact *rapport* with Abbado in Mozart's C minor Concerto, and several other distinguished performers visited: Gilels in two grand appearances, Firkusny and Annie Fischer miraculously fresh, Alexeev and Bishop-Kovacevich radically different but equally committed in late Brahms. Steven de Groote was imposing in Prokofiev, and Eliso Virsaladze fiercely opinioated in everything. Among those younger pianists there were two Canadians besides the Leeds winner: Philip Thomson brought original power and insight to Liszt, and Robert Silverman re-lived Rakhmaninov's challenging First Sonata with uncanny sympathy. In a PLG *Young Artists recital, Stephen* Gutman revealed astonishing maturity and finesse.

So did the oboist Nicholas Daniel and the harpist Imogen Barford, in a joint recital sponsored by the *Royal Academy*; and so did the clarinettist Ian Mitchell, imaginative and incisive in the Boulez *Domaines* and in Douglas Young's new *Five Symbols of Longevity*, which reward the instrument just as Britten's *Metamorphoses* reward the oboe.

The rest is singers. Rich recitals by Tatiana Troyanos, Margaret Price, Irina Arkhipova and Lucia Popp; a splendid Schubert conspectus by Hermann Prey, and also a most moving *Winterreise* from John Shirley-Quirk; spectacular *débuts* by Paata Burchuladze and the American Thomas Hampson; and from Maldwyn Davies (with Ian Ledingham), Britten's John Donne cycle *delivered* with incandescent conviction.

Arts Guide

Music/Monday. **Opera** and **Ballet**/Tuesday. **Theatre**/Wednesday. **Exhibitions**/Thursday. A selective guide to all the Arts appears each Friday.

Dec 21–27

Exhibitions

TOKYO

Ceramics of East and West (Idemitsu Art Gallery): This exhibition highlights 17th and 18th century fine ceramics in Japan and Europe, including Japanese Arita ware, Delft from Holland and Meissen from Germany. Particularly interesting is the influence of these various wares on each other, the result of trading of the period. Shards of Chinese and Japanese pottery excavated outside Cairo are also on display. This museum, on the 9th floor of the Kokusai Building in Hibiya, near Imperial and Palace Hotels, commands an excellent view over the Moat and Emperor's Palace in the centre of Tokyo. A relaxed atmosphere enhanced by the serving of Japanese tea. Ends Feb 3.

PARIS

The Influence of French and Italian schools and fidelity to their national inspiration, the fascination with reality and romantic idealism, produced two contradictory tendencies in German painting in the second half of the 19th century. On the one hand, Arnold Böcklin, the symbolist, continues to mediate and dream of poetry and mythology. On the other hand the violence of colours of the New Realists announces 20th-Century Expressionism. Petit Palais, closed Mon, Ends Jan 13 (265.12.73).

Kandinsky: 70 paintings, many on loan from the U.S., Germany and Holland, are complemented by Nina Kandinsky's legacy of 700 drawings and sketches, by his correspondence, his library and his own collection. The vast retrospective, the most important in Paris since 1963, retraces the different stages in his creation: Munich, the Bauhaus and finally Paris. Centre Georges Pompidou, closed Tuesdays. Ends Jan 28. (277 1233).

Degas: His portrait of Diego Martelli and his astonishing Bureau des Cotons, with his Carnet 18 to be seen for the first and last time page by page, form the highlights of a vast exhibition of the master's sculptures, paintings, lithographs. Centre Culturel du Marais, 20-28 Rue des Francs-Bourgeois (272.73.52). Every day from 10am till 7pm. Ends Jan 27.

LONDON

The Hayward Gallery: The Drawings and Sculpture of Matisse. The Arts Council has brought together two major exhibitions, each of which deals with a major aspect of Matisse's work. But though both are to got on elsewhere, they are not to do so as one: which makes their London showing an opportunity not to be missed. The entire sculptural *oeuvre* is shown, 69 bronzes in all (it goes on to Leeds in the New Year), for the first time in this country; and the selection of drawings represents the largest retrospective study ever to be seen in London or New York (it goes to the Museum of Modern Art in the spring) of this fundamental preoccupation. It is a delightful, at times surprising and always an enlightening conjunction, most useful for the insight into the relation between his sculpture and drawing in the earliest years of the century, the crucial period of his first maturity. The clear hint is that if the painting of Matisse was qualified and informed by the drawing, so, in that very first period at least, it was the sculpture that gave the drawing its radical freedom and simplicity. Ends Jan 8.

The Tate Gallery: George Stubbs – the critical rehabilitation of our greatest horse painter continues with this magnificent exhibition, which clearly proposes him not only as our pre-eminent artist of the 18th century but as second only to Turner. The fact that we still designate him Horse Painter is at the root of the problem, for his popularity on that count, and his inclination to specialise, have long conspired to disguise *the fact that a painter of horses may* as well be a great artist as a painter of landscapes, or people for that matter. Ends Jan 6.

BRUSSELS

BBC exhibition on radio services and television including the French service and world service. Hotel de ville. Ends Jan 5.

The Written Word: Origin and Progess – Société Générale de Banque. Ends Jan 3.

NEW YORK

Museum of Modern Art: Primitivism in 20th Century Art has much good modern work by Picasso, Max Ernst, Brancusi *among many others* as well as striking tribal objects from Asia, Africa and North America, but the theme itself seems meant to fill space more than provide a better understanding of the primitives or the moderns. Ends Jan 15

Van Gogh in Arles (Metropolitan): The first important exhibit to catalogue the annus mirabilis in 1888–89 when Van Gogh was inspired by the South of France is covered in 146 works, including paintings, drawings and letters. Special ticketing with specified entry times reflects anticipated ticketing with specified entry times reflects anticipated crowds of up to half a million. Ends Dec 30 (570 3970).

CHICAGO

Museum of Contemporary Art: Celebrating the foresight of local collectors, Dada and Surrealism in Chicago Collections includes more than 300 works by Dali, Ernst, Magritte, Miro, de Chirico, in mixed media including sculpture and photographs as well as paintings and drawings. Ends Jan 27.

WASHINGTON

Hirshhorn: The entire third floor of the gallery will be filled with 157 works of painting, sculpture, constructions and installations done in the past decade by 147 artists in celebration of the museum's 10th anniversary. Ends Jan 6.

VIENNA

Fanny Eissler: This charming exhibition *already shown in New York* celebrates the dazzling career of the 19th century Viennese ballerina who died 100 years ago. Fanny Eissler, daughter of Haydn's valet, took Europe and America by storm in the 1840s – and broke a few hearts on *the way. Costumes, posters, letters* and other memorabilia evoke a beautiful and talented woman. Opera House. Ends Dec 30.

WEST GERMANY

Cologne, Kunstverein, 1 Josef-Haubrich-Hof: Works by Helmut Dorner, Lutz Fritsch, Clemens Kaletsch, Axel Lieber, Mechtild Nemeczek, Peter Telljohann and Claude Wall. Ends Jan 6.

Cologne, Museum für Ostasiatische Kunst, 100 Universitätsstrasse: The Museum of Far Eastern Art is showing Korean art, some of which is more than 5,000 years old. It includes storage jars, bronze and stone weapons, gold sheeting and ornaments, pearls, *jade* and *glass*, bronze figures and tombstones reliefs. Ends Jan 13.

Mannheim: Städtische Kunsthalle, 9 Moltkestrasse: a retrospective of Robert Häuser with 150 black and white photographs from between 1941 and 1984. Ends Jan 6.

Hamburg, Kunstverein, Glockengießerwall: Fifty-five paintings, water colours and gouaches by Edvard Munch, the Norwegian painter (1863 to 1944). Ends Feb 2.

Hannover, Forum des Landesmuseums, *8 Am Markte: Berlin Art* between 1770 and 1930 has 200 bronze, gypsum, ceramic and china sculptures by artists ranging from Gottfried Schadow to Georg Kolbe. Ends Feb 17.

Düsseldorf, Kunstverein and Kunsthalle, 4 Grabbeplatz: Russian and Soviet Art – Tradition and the Present links the time of old Russian icon painting to today's contemporary approach with the help of 300 works of art. This is the most comprehensive show of Russian art presented in the Federal Republic. Ends Jan 27.

Marl, Sculpturenmuseum, Creiler Platz: Sculptures, drawings and graphics by Henry Moore depicting mother and child. The works include all his efforts to deal with this subject since 1922. Ends Jan 13.

Munich, Villa Stuck, 60 Prinzregentenstrasse: 80 coloured drawings from between 1880 and 1917 by Gustav Klimt, the Austrian chief protagonist *of Viennese Jugendstil*. Ends Jan 27.

ITALY

Venice: Museo Correr. Drawings by Gian Antonio and Francesco Guardi, a delightful exhibition of 250 drawings by the brothers, including, among the subjects, the famous *views of the city by Francesco*. (Closed Tue). Ends Jan 31.

Rome, Braccio di Carlo Magno. Raphael in the Vatican: the last in a series of exhibitions which have been held in Paris, Rome, Florence and Urbino, marking the 5th centenary of the painter's birth. The exhibition contains material from the secret archives. The Vatican Library and the Papal apartments, and is a wonderful chance to see objects not usually on public view, and the details of inaccessible frescoes. Until Jan 18.

Milan: Galleria Gastaldelli, Via Lanza 6. Drawings, watercolours and oils by Renato Guttuso. Until Dec 30.

Naples: Museo di Capodimonte: 'Naples in the 17th Century': for lovers of Baroque. An exuberant exhibition of paintings, marbles, silver and furniture dating from a period when the city was the second in Europe after Paris. Ends April 14.

Rome, Villa Medici (French academy): *Degas and Italy. A gracious* recognition by the French Academy of the importance of Italy to the work of one of the greatest artists of the 19th century (this year is the 150th anniversary of Degas's birth). The exhibition follows Degas's principle that preparatory drawings should be shown with the finished work. This has been done here with three remarkable paintings: the portrait of the Bellelli family (with its echoes of Piero Della Francesca). The works cover the period 1856-60. Ends Feb 10.

Rome, Galleria la Gradiva (Via della Fontanella 5): Modern Italian painting including Guttuso, de Chirico, Annigoni, Rosai, Balla. Ends Feb 10.

Rome, Galleria Giulia (Via Giulia 148): Max Ernst drawings organised in collaboration with the Goethe Institute. Ends Jan 16.

NETHERLANDS

Amsterdam, Allard Pierson Museum: Similar But Different, an exhibition marking the archaeological museum's 50th anniversary, is devoted to daily life in Egypt, from 3500 BC to 600 AD. Not grandeur, then, but domesticity, *as the visitor is led* through a series of small rooms (one a re-creation of an Egyptian interior) displaying everyday objects, delicate faience work, jewellery and religious artefacts. Richly illustrated catalogue. Ends Jan 1985. Concurrently, on the top floor, a remarkable display of the earliest photographs (1839-1860) of the monuments lining the Nile.

Amsterdam, Willet-Holthuysen Museum *(Herengracht 605)*. Amsterdam silver 1520-1820 is an exhibition of 250 items and groups displaying the mastery of Amsterdam silversmiths over three centuries. The show, which focuses on church, guild and table silver, includes a magnificent monstrance of 1517, ornamented drinking horns and finely wrought chains of office used by the civic militia companies, and four salt cellars from 1639-1643 by the celebrated silversmith Johannes Lutma. Ends Jan 13, closed Mon).

Amsterdam, Rembrandthuis (Jodenbreestraat 6). Rembrandt as teacher. The intimate atmosphere of the house where Rembrandt lived and worked from 1639 to 1660 provides the setting for an exhibition of 75 drawings and etchings illustrating Rembrandt's teaching methods and the degree of influence he had over the future careers of his pupils, who included Ferdinand Bol, Gerard Dou, Govert Flinck and Nicolaes Maes. The show includes drawings with forceful corrections in the master's hand, finished compositions based directly on works by Rembrandt, and revealing instances of borrowings and outright plagiarism. An excellent, fully illustrated catalogue in Dutch and English guides the visitor behind the scenes of 17th-century studio theory and practice. (Ends Jan 6).

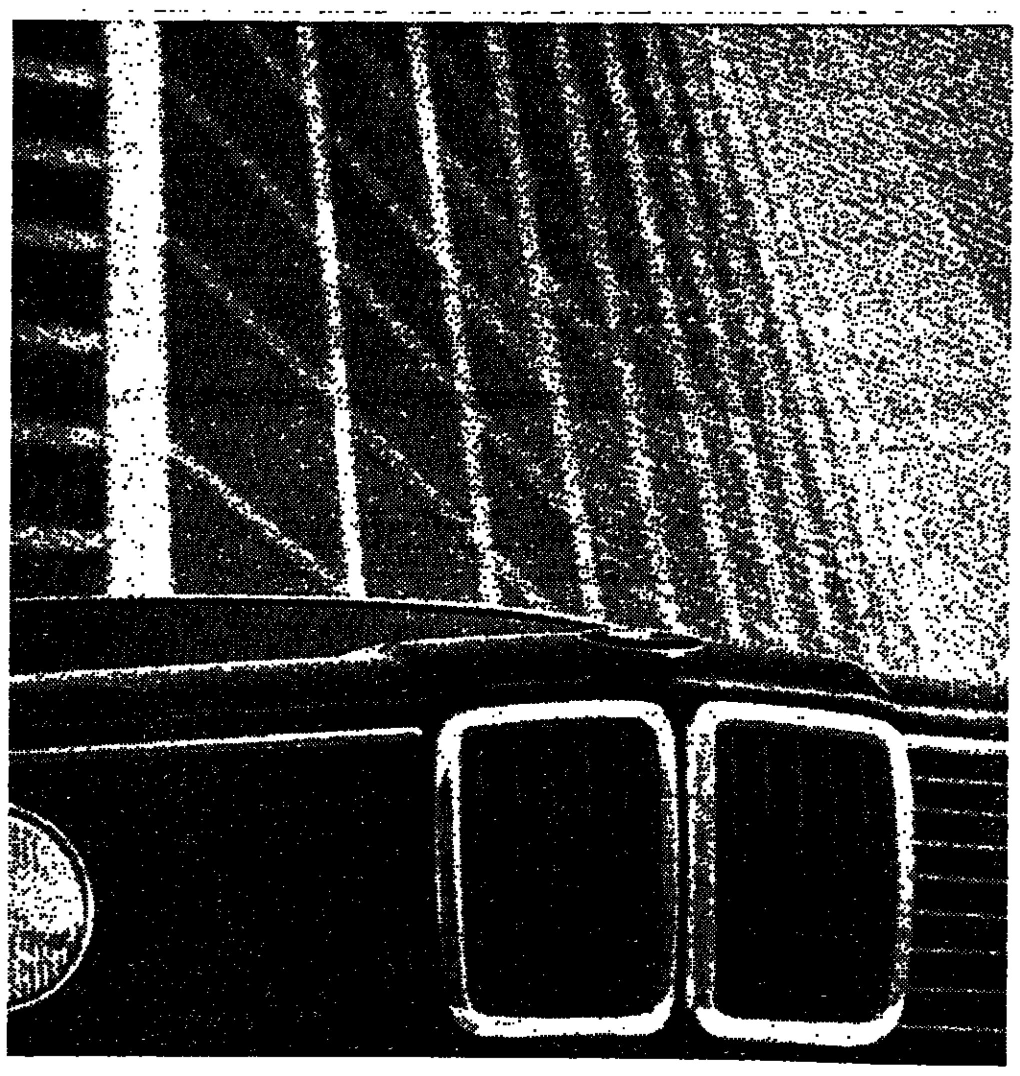
هكذا عمل الأفضل

Which international movement was one of the most successful again in 1984?

The BMW society of the world's most demanding drivers.

1984 was yet again a year of extraordinary success for BMW.
Following many exceptional years, another one of significant growth.
And this was achieved despite the setbacks created by the weeks' long strike in the Federal Republic.
As the result of a singleminded and concerted effort in both the domestic and export markets, BMW succeeded in regaining much of the lost ground and, with a total of 430,000, succeeded in producing and selling more cars than in the previous year.
At the same time, the company's turnover has risen yet again, to over 16 billion D-Marks.
And 1,500 new jobs have been created, even though – for strike-related reasons – this didn't quite match forecasts.

<u>The world's most demanding drivers profit by BMW. And BMW by them.</u>
BMW's positive results can be related, not least, to the enormous vote of confidence given by the large number of new buyers, who have felt that the particularly high demands they make on a car are best realised by BMW.
By their decision to opt for the most advanced automotive technologies available, informed and discerning buyers have acknowledged their understanding of BMW's dedication to innovation.
Because they have fully appreciated exactly what BMW means by exclusivity. Namely, status through progress, and not for its own sake.



<u>Whoever decides on the car with the more advanced technology, acquires not only greater potential.</u>
<u>But also demonstrates a fine appreciation for the signs of our times.</u>
As far back as 20 years ago, BMW had already started reacting to the fast-changing parameters of modern motoring – quite voluntarily, without any outside pressures or influences.
That's because the belief in concentrating on essentials has always been a cornerstone of the BMW philosophy.
And because we have always regarded pioneering technologies as the best possible basis for handling materials and energy more responsibly, and for preserving both our valuable resources and the environment.

That's why, for instance, BMW has always been committed to sensible engine capacities and cylinder numbers, which are in tune with the needs of their time.
For years the BMW in-line, 6-cylinder engine has been regarded as the epitome of engine technology.
And through the introduction of new, ultra-modern electronics, BMW has given this legendary concept even greater farsightedness and security for the future.

<u>Whoever drives with the new sense of awareness, will discover its ultimate expression in a BMW.</u>
No other car manufacturer exploits the benefits of modern electronics as comprehensively or as consequentially on their standard production cars as BMW.
With the aim of not only making motoring more efficient, safer and more comfortable, but also of making it more economy and ecology conscious at the same time.
So it's not surprising that BMW had already introduced the world's first computer-controlled engine by 1979.
Today, 96% of all BMW cars feature electronic fuel-mix controls.
BMW was also the co-developer of ABS, the revolutionary anti-lock braking system, which today is standard on a full 50% of all BMW models.

And again, when it comes to electronic driver information systems, no-one has progressed as far as BMW.

<u>Concentrating on essentials is no limitation. Rather, it's the intelligence needed to anticipate the future.</u>
And stemming from this conviction, BMW is dedicated to developing cars, which incorporate new technologies of the very highest standard.
For those drivers who share BMW's beliefs.
Equally, there's no doubt that BMW's current market position today is directly linked to this philosophy.
And both combine to create the optimum basis for ever greater success in the future. Even if it must be accepted that this will never come cheaply.
That's why BMW – incidentally, the only car manufacturer you'll find amongst the list of the top ten most research intensive, publicly quoted West German companies – intends to commit the bulk of its exceptionally large investment budget to innovations, designed – and capitalising on our world-wide lead in automotive micro-electronis – to make motoring even more efficient and economical in the future.

<u>Welcome 1985.</u>
In the coming years, BMW will continue to redouble its efforts with all its usual energy and vigour – to the benefit of everyone who, like us, believes in pushing progress to its limits.
At the same time, we'd like to thank everybody – whether they be customers, suppliers or co-workers.
And we wish you all in 1985, what you have helped us achieve in 1984: much success.

BMW AG, Munich

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday December 27 1984

Arafat must choose

MR SHIMON PERES, the Prime Minister of Israel, travelled the short distance from Jerusalem to Bethlehem on Christmas Eve. It was a journey intended among other things to signal the freedom of worship which Israel allows in the emotionally-charged territories that it has occupied since the 1967 Arab-Israeli war.

It was also a reminder of the bitterness of the religious and nationalist conflicts which dominate all other issues in the land known to many Jews as Judea and Samaria, and to the Arabs, both Moslem and Christian, as the West Bank.

On Christmas Day 1977, the late President Sadat of Egypt met Mr Menahem Begin, then Israel's Prime Minister, at Ismalia on the Suez Canal. Mr Sadat's intention was to persuade Mr Begin to accept in one bold gesture the principle of a full exchange of occupied territory in return for a full peace between Israel and all its Arab neighbours. The Egyptian President failed for several reasons, not least because he could not carry with him the other Arab partners to the conflict.

Framework

In this one respect, King Hussein of Jordan is now attempting to complete the process which Mr Sadat managed to achieve for Egypt alone.

The speech which the King delivered to the Palestine National Council in Amman on November 22 has laid down a framework which challenges the other Arab nations to accept the reality identified by Egypt seven years ago — that Israel will not be defeated militarily and only through negotiation can there be hope of self-determination for the 1.2m Palestinians living on the West Bank and Gaza.

The early months of the New Year are likely to be critical in deciding the Arab response to this, and in particular that of Mr Yassir Arafat and the Palestine Liberation Organisation.

King Hussein is adamant that the PLO and Mr Arafat are the legitimate voice of the Palestinians and that no-one else can speak for them. His present strategy is therefore heavily dependent on a positive Arafat reply to his suggestion that they should work together for a new joint initiative aimed at winning wider Arab support and leading eventually to an international peace conference under United Nations' auspices.

As other Arab leaders have found to their cost, getting a clear answer from Mr Arafat ranks high among the list of top 10 challenges in the Arab world. Those who seek to defend his habitual equivocation point to the fact that in a region of authoritarian rulers Mr Arafat is a mere chairman. He cannot dictate, even though many Palestinians suspect that to be his dearest wish. Instead he strives primarily to keep a balance between rival Palestinian factions who

King Hussein and President Mubarak of Egypt would like Mr Arafat to stop behaving like a high wire circus performer and jump down into the ring. His recent performance at the Palestine National Council sessions in Amman demonstrated that he still carries with him majority Palestinian support and that, as in the wider Arab context, the quest for consensus invariably means granting small minorities the power of veto.

However much the U.S. and some other Western nations might abhor the prospect of lending any diplomatic support to Mr Arafat, they should recognise that the proposals enunciated by King Hussein are based on the principles enshrined in UN Security Council Resolution 242, the one formulation of words on which all have historically agreed. It is not helpful at this initial stage to reject the King's ideas because they envisage, as the culminating stage, an international conference at which all parties to the conflict are represented, including the PLO.

To arrive at that point would require momentous changes to have occurred in the Middle East.

Mr Peres said in Bethlehem that he sought "peace, mutual respect, co-existence and understanding" between Arabs and Jews in the Holy Land. The Palestinian mayor of the town said he too sought peace so "that Arabs and Israelis can live side-by-side as good neighbours, as free neighbours."

Fine sentiments, but ones which for 40 years have been largely ignored. If that situation is to be changed Mr Arafat must stop equivocating and seize the opportunity which he is being offered. He has no guarantee that it will succeed, but the price of not trying is most assuredly that of total failure.

Paralysis in planning

STRANGER, longer-running and in some respects more theatrical than any of the Benjamin Britten operas that were once staged in the same venue at the Maltings, Snape, the public inquiry into the wisdom of building a pressurised water reactor at Sizewell is just coming up to its second birthday. Optimists say that the closing stages are not now far away. If so, then the Sizewell proceedings will have been laconic in comparison with the inquiry into the merits of expanding Stansted airport, which has lasted for 2½ years, and is in large measure going over the ground that has already been covered by an earlier inquiry.

The same unfortunate minister, Mr Nicholas Ridley, who has just been rapped over the knuckles by back benchers in the House of Commons because they suspected him of rushing to judgment in the Stansted decision, has recently determined the line for an extension of the M40 from Oxford to Birmingham. The decision has been taken, that is, except for the very matter which has caused the delay so far; namely, exactly where a route can be found to avoid the unique, though perhaps not uniquely unique, wild-life habitats of Otmoor.

Least damage

Nor can anyone say there is anything particularly dilatory about the planning process in the Otmoor affair, since the building of the same road over the Chilterns was held up for some 11 years by a dispute over which beech woods on Aston Hill could be cut down with least damage to the environment. Yet the decision-making process in all these cases looks almost perfunctory in comparison with the debate over another project on Mr Ridley's plate, the Channel Tunnel.

It would be grotesque to blame Mr Ridley or indeed the present administration as a whole for the near-paralysis which grips Britain's system of government whenever major decisions on capital investment and infrastructure have to be taken. If anything, to the extent that the last Labour government was more sensitive to the objections of various environmental and other protest groups, it showed itself even less capable of executing such decisions swiftly than the Government has been for the last five years.

The roots of the problem go very deep. The rise of the environmental movement, with its proper philosophical questioning of the "edifice complex" and the compulsions of the bulldozer and the concrete mixer, has made each decision harder. The participatory politics of the 1960s have left a legacy of heightened citizen activism which may be healthy in itself, but certainly slows down the taking of great decisions. Mr Ridley himself made the perceptive point in an interview with the Financial Times last week that the problem was built into the British planning system from its beginning. The naive assumption on which the planning laws were based, was that planning could be kept scientific and free from the distorting and corrupting influences of politics—but in a democracy, that goal is neither possible nor right. The upshot

No one is saying that the safeguards against hasty or self-interested executive action ought to be reduced. It is right that these hard cases, where the general interest either is very differently seen by different groups of citizens, or where it conflicts with the individual interests of large numbers of people, must be scrupulously and if necessary exhaustively examined.

Yet there is also a national interest in being able to take big decisions—prudently, certainly, but also not too late. Some part of Britain's wretched performance industrially over the past quarter of a century, and indeed of the frustration felt by so many people in the country, may be plausibly blamed on the sheer slowness with which the nation makes up its public mind to do things that need to be done. The task is to integrate the legitimate concerns of politicians into the decision-making process early enough to make it unnecessary for politicians to hold their own inquiry after the process laid down by law has been completed.

AFTER CHRISTMAS . . .

Britain inches towards a healthier diet

By Andrew Gowers

THE SEASON of straining waist-lines and low-flying shirt buttons is upon us once more. But this year, the chances are that your over-indulgence is causing an extra twinge of guilt.

For in 1984, the question of a healthy diet — or the lack of it — has impinged on public consciousness as never before. In 1985, the issue seems certain to affect Britains farming and food industries with even greater force.

The centrepiece for concern has been a slim but deadly study of diet and heart disease from a Government-appointed panel of scientists known evocatively as "The Coma report" (the name stands for Committee on Medical Aspects of food policy).

Its findings are alarming indeed:

● Coronary heart disease and cerebrovascular disease are the number one killers in Britain by a long way, accounting for 40 per cent of deaths in men and 38 per cent in women.

● Mortality from coronary heart disease is higher in the United Kingdom than in any other country except Finland and Ireland (although the rate in parts of the UK exceeds that in Ireland). What is more, deaths from this cause have been declining only slowly, while in several other countries—including Finland—they have fallen dramatically.

● In 1981, over 40 per cent of British middle-aged men and women were overweight, an increase resulting from declining physical activity and dietary changes.

● Animal fat in the diet is singled out as a major culprit for heart disease and obesity. And while British people's total intake of energy has declined steadily since the 1950s, the proportion of that energy contributed by fat has climbed from about 37 per cent in 1950 to 43 per cent in 1982.

Coma recommends a cut in total fat intake of 17 per cent and reduction of about a quarter in consumption of saturated fat. It also advised a reduction in salt consumption, without giving figures, no increase in intake of sugar, and increased consumption of fibre-rich carbohydrates such as bread, cereals and potatoes.

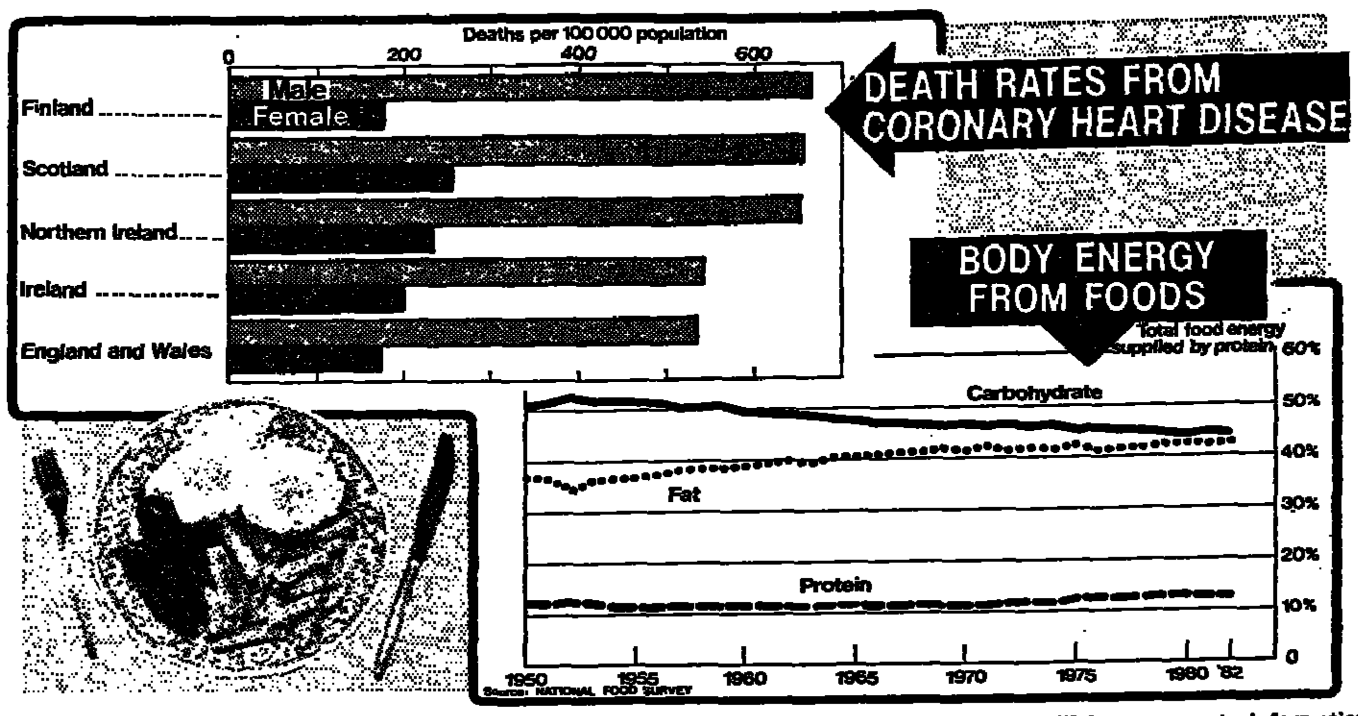
These suggestions are less controversial than those in a previous report which received heavy publicity last year for proposing that consumption of saturated fat, salt and sugar should be halved.

Nonetheless, for farmers and food manufacturers, the result is something akin to a slow earthquake. It undermines some of the cornerstones of British agriculture, and calls into question long-established food processes and preparations. Among products singled out as major sources of fat are a wide range of dairy items, meat and biscuits.

To be sure, the idea that saturated fat is bad for you is not new. Reports recommending dietary change along similar lines have been around since the late 1950s.

There have been increasing signs, too, in recent years that the message about fat is getting through to the public.

Consumption of butter—identified by the Coma report as a major problem—has been on the wane for more than a decade, declining from 433,000 tonnes in 1971 to 304,000 in 1982. Although part of the explanation for this lies in price and competition from margarine, there is little doubt that the latter's ability to present itself as a "healthier" product, even if it is not, has also played an important role.



Red meat has fallen prey to a similar trend. The market research company Taylor Nelson reports that the British are eating 20 per cent less lamb and 19 per cent less beef than they did in 1980. Again, the reason is partly competition from cheaper meats such as pork and particularly poultry, but the latter's healthier image is an underlying factor.

That said, this year's food scare is different in two respects. For one thing, the Government—in accepting the recommendations of the Coma report—has committed itself for the first time to aiming for a specific reduction in fat intake. For another, the argument about diet seems more coherent and less faddish than before.

"Six years ago, the message was: '*Eat less of everything*'," says Mr Geoffrey Harrington, planning director of Britain's Meat and Livestock Commission. "Today people are stressing the idea that you should get more calories from fibre rather than fat. There's now a more complete dietary story to tell."

The National Food Survey carried out by the Ministry of Agriculture every quarter bears out this more rounded picture.

This year, consumption of red meat, cakes, biscuits and butter is down—in some cases sharply—and sales of green vegetables and such fibrous products as potatoes and brown bread are up.

The most striking story of all involves milk, one of the main products on the Coma "hit list." Consumption of ordinary household milk has fallen more than 10 per cent since 1982. Sales of skimmed and semi-skimmed varieties, meanwhile, have rocketed from only 1 per cent of the total milk market in 1980 to 12 epr cent now. This year alone, sales have trebled.

In clear-cut cases like this, consumers are obviously drawing their own conclusions and voting with their cheque-books. As far as many people in the food industry are concerned, it is a trend which holds as many opportunities as threats—opportunities which can be exploited by skilful marketing.

"The stomach size in this country is getting gradually smaller," says Mr David Hellard, head of marketing at the National Farmers' Union. "The industry will thus have to gear itself to sell more of less, and will seek to segment the market. The consumer is loking for variety, and if the producer is to keep up, that's what he must provide."

Sir Jeremy Moore, director general of the Food Manufacturers' Federation, agrees: "In marketing terms, the industry has not really had the confidence actively to promote products on the basis that they're good for you. Coma has given them that confidence."

The signs of change are all around: in the range of high-fibre products coming on to the market, for example. Apart from ctering for the trend in milk consumption, the dairy industry is responding to new tastes with low-fat cheeses, spreads of yogurts. The Walls meat company recently launched a lean sausage, and says it is "very pleased" with sales so far.

Significantly, that product is selling at a considerable premium over ordinary sausages, reflecting the fact that the trend towards healthier food is very much a middle-class phenomenon at present.

"The higher income can afford to choose their food a little more carefully," says Mr Ian Tottman, product manager at Walls. As Dr John Brown, secretary of the Health Education Council, points out, there is another reason: "Fatty products are cheap because fat is almost a throwaway product."

Animal fat in the diet is singled out as a major culprit for heart disease

But things are not always as well-defined as this. On the one hand, consumers are not always able to make informed choices. On the other, messages from consumers do not always pass ungarbled to producers.

The Government's response to the Coma report has been to propose labelling foods for their fat content. Agriculture Ministry officials say fat labelling is a fait accompli, and an outline announcement is expected next month.

For the first time, consumers will have access to information about the harmfulness of specific foods. Parts of the food industry, which is not renowned for its openness about what goes into its products, are very worried indeed.

What remains to be seen is how specific the labelling will be: in other words, whether labels will detail saturated fat content as well as fat in general. Naturally enough, the food processors are not keen to draw special attention to a substance which has already been branded by Government as a menace.

Companies in such groupings as the Dairy Trade Federation and the FMF have been pushing for what they call "Big Four" labelling, specifying fat, protein, carbohydrate and energy content of foods — but omitting references to saturated fat. They say breaking fat down into different varieties poses considerable practical difficulties.

But the nutritionists and physicians, who have become a powerful lobby on this issue, are unmoved. Professor Philip Randle from Oxford University's clinical biochemistry department, who chaired the Coma panel, says his fellow-members would be "*totally opposed*" to such generalised labelling. "It would make a nonsense of the exercise if all that went on the label was total fat content," he said.

One point, though, on which everyone appears to agree is that urgent action is needed to clarify the issues.

"People are confused," says Dr Lesley Yeomans of the Consumers' Association. "The message is not clear, and more importantly, the message has changed. Consumers don't now whether they're coming or going." She, for one, is concerned that the Ministry may actually be moving too fast on labelling; her association and the Government are jointly funding a consumer study to sort out fact from fiction.

Persuading producers to change their habits may be much harder than educating the public, particularly where market forces are not allowed to act freely or are not clearly perceived.

A case in point is the meat industry, where market forces which these days might encourage producers to rear leaner animals have been obscured. According to a study published in the academic review Research and Development in Agriculture, "the demand for lean meat in the industry as a whole has never been strong enough to make the pursuit of leanness itself the major aim of producers because price incentives have not been big enough."

One problem, according to nutritionists, is the conservatism of many butchers, who are used to selling fat carcases and are convinced that this is all the consumer wants. As Mr Harrington of the MLC points out, fat in some degree is an important factor in making meat palatable. "Butchers fear throwing the baby out with the bath-water?that the consumer will buy lean meat, find it unattractive and as a result go over to poultry."

But another explanation is that there is no adequate system of grading beef and lamb for its fatness. This is simply because cows and lambs are not standard products, and what grading does take place is done by eye while they are alive. "The producer never gets an accurate picture of what sort of carcase he's selling," says Mr Harrington. "It's a blockage to the flow of information."

As if these complications were not enough, the European Community actively interferes with the market—on fat as on virtually everything else. Academics, marketing people and doctors regularly single out the Common Agricultural Policy as a principal villai nof the piece. The examples routinely cited are:

● Premium payments to British beef and lamb producers, which can encourage farmers to produce excessively fat animals.

● Official support buying of beef. Because criteria for this so-called "intervention buying" are not particularly discriminating, the meat industry tends to offer its less attractive, fatter carcases.

● The dairy surplus. This Christmas, as on other occasions in the past, the EEC is distributing 200,000 tonnes of butter at subsidised prices to European consumers—a move which runs directly counter to the new-found concern about Britain's fatty diet.

In a way, this goes to the core of the problem. If consumption of butter fat by consumers and by industry continues to decline—as it is almos universally expected to—it will throw the Community dairy dairy mountains into even starker relief.

This year's milk production cuts have fixed production more than 10 per cent above EEC demand: farmers are only too well aware that the gap could widen significantly in coming years.

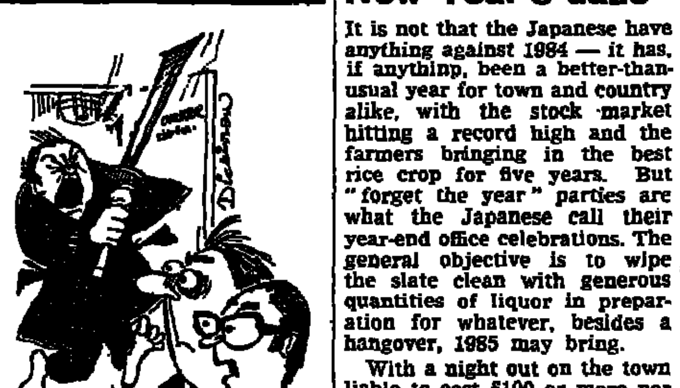
Men and Matters

A cultural clash of symbols

The Japanese have a well-deserved reputation for endurance. While the average Western family is already nursing its hangover, letting out its belt and putting the Santa suit away for another year, the Japanese are still limbering up for the major annual celebration at New Year.

Christmas is a useful preliminary occasion on which to practise extreme conviviality, Japanese style: to call it a "dry run" would be quite wrong. Most offices remain open on Christmas Day, but many Tokyo "salarymen," due no doubt to the seasonally cold weather, are unusually ruddy-faced from lunchtime onward.

The season of good cheer is helpd on its way by the payment, in mid-December, of the half-yearly wage bonuses which represent perhaps three months' salary for the average worker. This sudden surge of cash is generally recognised as the cause of the upturn in the Tokyo stock market at the end of each year. It also funds the gift-giving, with which family and professional relationships are cemented in Japan at New Year and also at Midsummer.



"In Japan, giving sterling as a company present is regarded as a great insult."

Rules for gift-giving are traditional and precise, with the size of the present varying to suit the closeness and status of the recipient. The average Japanese middle - manager spends the equivalent of £1,000 a year on presents, each of which has an average value of £10-£15.

If Christmas cheer is easily assimilated into Japanese office parties and department store sales promotions, it can still sometimes gain or lose a little in translation. One Tokyo television channel ran as its seasonal treat this week a film, innocuously titled "Merry Christmas, Mr Lawrence," which is in fact a particularly harrowing account of life in a Japanese prisoner-of-war camp. And Simon Smithson, of brokers Grieveson Grant, reports seeing festive decorations in a Tokyo department store with a centre-piece of Santa Claus—crucified.

New Year's daze

It is not that the Japanese have anything against 1984 — it has, if anythinp, been a better-than-usual year for town and country alike, with the stock market hitting a record high and the farmers bringing in the best rice crop for five years. But "forget the year" parties are what the Japanese call their year-end office celebrations. The general objective is to wipe the slate clean with generous quantities of liquor in preparation for whatever, besides a hangover, 1985 may bring.

With a night out on the town liable to cost £100 or more per head at Tokyo's livelier night-spots, "forget the year" parties may have accounted for a sizeable chunk of the Y3.5 trillion (about £12bn) which Japanese companies spent on "corporate entertainment" in 1983.

The figure will certainly be higher this year. The rate of expenditure, averaging over £30m a day, goes a long way to explaining the relative contentment of Japanese managers despite their relatively low direct salaries, and long evening "meetings."

It also helps to explain why the Tour d'Argent restaurant of Paris chose to set up its solitary overseas branch in Tokyo, whose menu — by no means the city's priciest — includes duck at £30 (for two) and a pigeon roasted with grapes at £25.

After the celebrations, the first duty of the New Year for most Japanese will be to visit a shrine or temple, making a donation or buying a wooden tablet on which to write a prayer. Larger shrines in Tokyo typically receive £1m or more between January 1 and January 3.

The second duty may well be to find some suitably discreet way of disposing of unwanted calendars. An estimated two billion calendars, or 17 for each man, woman and child in Japan, are distributed ahead of the New Year.

A survey conducted by Japan's Keio department store found that half of all calendars are thrown out by their recipients.

Unjust desserts

Some of the least happy people in Japan during this festive season must be the executives of food companies targeted by the extortion gang which calls itself "the man with 21 faces."

Scarcely more happy can be the Japanese police force, which has not only failed to stop the gang during its nine-month spree of kidnap, blackmail and poisoning, but has been mocked and abused by the extortionists in frequent pseudonymous letters to newspapers.

The 21-face gang claimed this month to have extorted Y100m from an unnamed provincial food company. It also ridiculed the police for having on three occasions spotted, but failed to arrest, members of the gang in the course of collecting cash from another corporate target.

The gang says it plans to take a "rest" until January 15 — reminiscent of its declaration in July this year that it would stop harassing sweet-maker Ezaki Glico in order to take a summer vacation in Europe.

That vacation ended in September, with a letter from the gang to Morinaga, another large confectioner, demanding Y100m, which was followed by the cyanide poisoning of Morinaga sweets on shop shelves.

Morinaga, whose sales have plummeted, still managed to pay its employees a reduced bonus this winter, but as one put it, "we are not in the mood for a party."

All in vein

Whether it is a fad or a longer-term fashion, the idea of blood-typing as a social denominator has been gaining popular ground in Japan this year. Job advertisements sometimes specify a preferred blood-type for applicants.

A confectionery company last month brought out a line of bubble-gum which was distinguished, not just by its cranberry yoghourt flavour, but by its packaging into four varieties, one for each major blood group — A, B, O and AB.

Asahi Breweries, one of Japan's major drinks companies, purports to have found a link between blood-type and drinking habits. "A" groupers usually prefer bars with an intimate atmosphere; "B" groupers will drink anywhere; "O" groupers are "open and easy," while "AB" groupers are "cool," says Asahi, basing its findings on a survey of 1,464 drinkers. It is not known whether Dracula was among them.

Observer

UK BIOTECHNOLOGY

Why industry is taking more notice

By David Fishlock, Science Editor

THE DIRECTOR of a British government research laboratory recalls wryly how in 1979 he tried to interest a UK company in an original biotechnology idea. The company hesitated, refused it, then finally said yes—three years later. By then U.S. industry had seized the idea.

But times change. A flurry of announcements this autumn suggest that Britain is becoming quite innovative—as well as much brisker about handling technology transfers from lab bench to industry.

Within recent weeks companies as well-known internationally as Grand Metropolitan, ICI, Air Products, Ciba-Geigy and Eli Lilly have all been associated with new British biotechnology ventures.

On the science side, several national laboratories with international names, such as the Rothamsted Experimental Station in Hertfordshire, the Plant Breeding Institute in Cambridge, and the Centre for Applied Microbiology and Research on Porton Down, have been linked with commercial biotechnology ventures.

Just before Christmas the Medical Research Council announced plans for a £1m scientific "showcase" at its big London laboratories, to facilitate closer ties with the drug and medical technology industries.

As a "creative broker" for technology transfer, the British Technology Group has been reborn with a clear mandate from government to bring commerce together with UK invention. Its present portfolio of inventions is strong in biotechnology.

BTG's chairman, Mr Colin Barker, has given assurances that BTG will not be trying to direct the national pattern of research but rather will be responding to the needs of the research community to find more sponsors for its ideas. It is building a data bank which he wants to use to match industry's needs with BTG's present portfolio of 1,800 inventions.

What may prove the most important feature of this data bank, however, is that, provided enough companies come in, it could be highly revealing about where British industry sees its own technological destiny.

While in limbo, uncertain what the government intended its future to be, BTG planned and launched a biotechnology start-up venture which seeks to exploit advanced British plant science. The Cambridge-based Agricultural Genetics Company was seen by its founders as the "country cousin" of Celltech, an earlier British biotechnology venture.

Trevor Humphries

Dr Peter Dean (left) and Dr Roger Gilmour of the Agricultural Genetics Company.

Celltech struck a deal with the Medical Research Council, giving the new venture first refusal to all its research in the new biotechnologies such as genetic engineering and monoclonal antibodies.

The Agricultural Genetics Company has negotiated similar rights to the new biotechnologies of six of the research centres of the Agricultural and Food Research Council. The commercial potential of such research as Rothamsted's use of microbes to control crop pests, or the cocktails of microbes that can biodegrade straw, have drawn in such companies as Ultramar, Eli Lilly and Ciba-Geigy, as investors.

The new company is a conduit through which plant biotechnology will feed into these investor companies, some of which are already established in agricultural chemicals. Its job is to pinpoint the promising science, pay for the development—probably in the same national laboratory—then formulate the results into a package of technology for transfer to production with a minimum of fuss.

Celltech, meanwhile, has firmly established the principle that an entrepreneurial venture can "milk" a research centre successfully for commercial ideas. In contrast to present plans of the country cousin, it set up its own laboratories from the start, and within a year had selected and transferred certain key biotechnologies from the medical scientists in Cambridge and elsewhere.

What proved more difficult was selling itself to potential customers. Cellech's investors are finance houses and institutions, not prospective customers.

The breakthrough came in 1983 when Boots the chemists entered into a joint venture with Celltech, to develop and market the first fruits of the Nobel prizewinning Cambridge dsicovery of monoclonal antibodies. These first products will be new medical tests for diseases, and for conditions such as fertilitya nd pregnancy.

For Boots, the joint venture is simply an investment, not a tied source of the new medical products, says Mr David Gration, its chief executive. Boots itself must compete with others to sell the new foolproof tests.

But Mr Gration sees it as a smart move by Boots. "My view is that Boots has been quite bright to get into diagnostics in this way." It has bought into an international centre of expertise for a very modest fee, about £2m. He expects the joint venture to be in the black by 1986.

He sees confirmation for his own confidence in recent approaches by ICI to headhunt senior staff from Boots-Celltech. ICI, thwarted in an attempt earlier this year to negotiate a joint venture in plant biotechnology with the Swedish group Cardo, has just set up ICI Diagnostis, a new venture closely related to its pharmaceutical division and its primary interests in cancer and heart disease.

Last month Celltech embarked on a second joint venture with a big company, this time with Air Products, UK offshoot of a U.S. indhstrial group with $1.7bn sales last year. Celltech was seeking ways of developing the process technology side of business, in which, for example, it has already become the world's leading maker of monoclonal antibodies. It can see some of its research leading to a need for bioreactors and other novel process technology of substantial scale, perhaps running continuously for many weeks.

Air Products was seeking entry into biotechnology. According to Mr Brian Street, its chairman, it would have taken a couple of years to build up the exeptrise it is buying by "low-cost entry" through Apcel, its joint venture with Celltech.

As Mr Gerard Fairtlough, Celltech's chief executive, sees Apcel, the Boots-Celltech model "has shown that a small company can work well with a big one." He sees a vast potential for what he calls the "funny bugs business" of exploiting large-scale industrial microbiology.

One of Britain's most powerful centres of expertise in industrial microbiology is the former Ministry of Defence laboratory specialising in "germ warfare" at Porton. It is world-famous in biotechnology circles for the "Porton pot," a bioreactor it invented in the 1950s.

Since the late-1970s, this centre has been in the civil sector, as a public health laboratory called the Centre for Applied Microbiology and Research (CAMR). It has run pilot-plant operations for companies as disparate as Dupont and Biogen. With the help of DTI funds, it is refurbishing its pilot plant with new bioreactors.

The Government has biven CAMR every encouragement to forge commercial connections. For example, in bioreactor design it works closely with a British company called LH Engineering.

LH Engineering is part of a new biotechnology venture called Porton International, announced this summer as an unquoted private group based in London and Washington, backed by 15 institutional investors. Dr Tony Atkinson, director of CAMR's 90-strong microbial technolog laboratory, says Porton International has established close—though by no means exclusive—links with CAMR over the past 18 months.

As Professor Sydney Brenner, director of the Laboratory of Molecular Biology in Cambridge and a key figure in the successful biotechnology transfer to Celltech, sees it, academics will fight shy of helping industry on a "phone-a-clone" basis. But the biotechnology start-ups can spearhead technology transfer to industry, while the universities themselves are fashioning entirely new kinds of department, that will do for biosciences what the engineering departments now do for physics in technology transfer to industry.

Undersea gem mining

Where diamonds are a gull's best friend

By Kenneth Marston, Mining Editor

THE PROSPECT of undersea diamonds has suddenly awakened interest in a dozen desolate little islands off the Namibian coast.

According to a Cape Town geologist, the Penguin Islands could be sitting among at least 2m carats of diamonds, worth about $200m — and there could be considerably more.

Sea trials involving a coastal vessel, Calypso, are in progress, according to the latest report received by Menora Resources, the Canadian company which holds a 5 per cent stake in Ocean Diamond Mining. If all goes well, the vessel could be recovering diamonds from the seabed any time now.

The venturers intend to start mining operations around the southernmost island, Pomona, where over 10,000 carats were recovered during 41 days in 1970.

Many a tale of high adventure, riches, disappointment and even sudden death can be told of the 400 miles of Namib Desert coastline that runs south from Walvis Bay through Namibia down to the Orange River.

When not brooding in the fogs that roll in from the South Atlantic, the arid coastline can be lashed by gales and blinding sandstorms. Until the 19th century it was just another desolate part of the world.

Then, a ship's master decided to take a look at one of the 12 tiny islands.

He found the island to contain large deposits of guano, the droppings of sea birds which at that time fetched a good price as fertiliser.

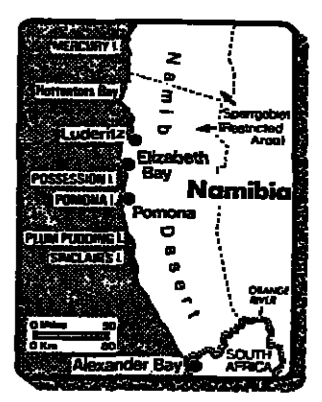
On June 21, 1861 a British ship took possession of Ichaboe Hottentot (or "the lonely place") Island in the name of Queen Victoria. In the following August, Sir eGorge Grey proclaimed the sovereignty and dominion of the Queen over the island and a cluster of others.

This proclamation was "subject to Her Majesty's gracious confirmation and disallowance."

Such "gracious confirmation," however, was disallowed and it was not until 1866 that Great Britain had second thoughts and proceeded to proclaim sovereignty and dominion over the Penguin Isl..ds which were then annexed to the Colony of the Cape of Good Hope. In 1910 they became part of South Africa and remain so.

There was a more exciting secret than guano waiting to be discovered on the nearby coast. It was the world's richest source of gem quality diamonds. The first diamond was picked up in 1908 by railway worker, Zacharias Lewala, just south of Luderitz.

Inevitably, this triggered a diamond prospecting rush and within a few months the colonial administration of the area in what was then German South West Africa sealed off the region surrounding the finds. It was proclaimed a Sperrgebiet, "forbidden territory" to casual visitors. Small mining companies were formed and some £9m worth of diamonds was produced in the following six years.



In 1914 a consulting geologist, Percy Albert Wagner, was moved to comment: "For that in the wildest parts of one of the most desolate and useless tracts of land that the earth can shew, bare surfaces of rock should in places be as thickly studded with lustrous gems as are the show cases of a jeweller's window, surely puts to shame even the celebrated legend of Sinbad the Sailor."

Even richer deposits of diamonds — gem-quality stones that could be picked up from the beaches—were later discovered in 1925 to the south of the Orange river around Kleinzee in Namaqualand and in 1926, by Dr Hans Merensky at Alexander Bay while to the north of the river further extensive diamond-bearing marine terraces were found in the Sperrgebiet.

In 1920, Sir Ernest Oppenheimer managed to merge the early diamond mining companies into Consolidated Diamond Mines of South-West Africa. This De Beers group company resultantly controls virtually all the inland diamond mining operations along the Namibian coast. But it does not control the offshore territory.

To this day, the original source of the coast's alluvial diamonds has not been found. The generally accepted theory is that they came from volcanic pipes somewhere inland.

Among the undeterred diamond-seekers in these waters is Ivan Prinsep, who for many years has been fascinated by the potential of alluvial mineral deposits. In 1978 he hired a fishing boat and a diver and recovered diamonds off Kleinzee in Namaqualand. Further success attended his fledgling Dawn Diamond Company as it grew in stature with 30 boats at work, and this resulted in a prospecting rush to the area.

In 1982 Prinsep sold his stake in Dawn Diamond and left Namaqualand to try his luck in the territorial waters surrounding the 12 "forgotten" guano islands. The holder of their mining leases, granted by the South African Government, is Elland Diamante, an associate company of the Rembrandt tobacco group.

Elland has granted Prinsep's private company, Ocean Diamond Mining, exclusive rights to mine the areas in return for royalty payments and a share of profits.

After knocking on many doors in search of finance, Prinsep has managed to interest the British merchant bank Baring Brothers and, with its assistance, has arranged initial financing of $3.3m via a private placing of debentures and shares.

Prinsep's advisers estimate that an average price of R150 per carat the operation should run at a profit if it can maintain a recovery rate of over 2,000 to 3,000 carats per month.

Letters to the Editor

Skills will be needed

From the Secretary, Institution of Production Engineers.

Sir,—As we move into 1985, employment prospects for the year ahead look highly uncertain. Against this background it should be a matter for concern for all of us that too many of our young people, who are at this time in the year faced with important decisions relating to their futures, are in many areas still being actively discouraged from embarking upon careers in manufacturing industry.

It is certainly true that over the past six years the workforce in manufacturing industry has shrunk by about 30 per cent, and it is these sort of statistics that disguise the fact that there remains a chronic shortage of qualified, professional, production engineers.

Manufacturing industry today is in the midst of a continuing technological revolution, the effects of which will be felt well into the 21st century. To manage these exciting new developments we need all the skills and intellect of our very brightest young people, both male and female.

We must encourage youth, and those responsible for their education, to recognise the tremendous potential that a career in production engineering offers. As stated recently by Mr John Butcher, Parliamentary Under Secretary of State for Industry, "Production engineers will become the industrial aristocrats of the future."

Production engineering has lost its "boiler suit" image. Today our schools and universities need to be equipping young people, boys and girls, with the skills and knowledge which will enable them to become the managers of modern technology.

When Britain's offshore oil and gas revenues begin to decline, probably in the mid-1990s, the burden of national wealth creation through added value will again fall heavily upon manufacturing industry. Unless we act now the prospects for future generations will be bleak indeed.

R. J. Miskin,
66, Little Ealing Lane, W5.

Expansion at Heathrow

From Mr A. Lucking

Sir,—While Mr Fathers' arithmetic (December 14) is admirable, I believe that the inspector has come to the right answer, perhaps for the wrong reasons. The current 300,000-310,000 maximum number of air traffic movements can be increased by exploiting the emergent U.S. air traffic control technology, together with that evolved here.

British air traffic controllers achieve more instrument landings per hour than Americans. But the Americans appear to be nearer to achieving instrument operations on close parallel and converging runways, for example. The Americans are using short, offset runways for the small aircraft, which have to be spaced widely from the jumbos, and so absorb a disproportionate amount of runway time. Steeper approach paths, and exploitation of the new microwave landing system are contributing also.

A more determined approach by all concerned would enable such commuuter runways to be added at both Heathrow and Gatwick. And though the huge investment needed to build Stansted may appear to be freely available from passengers' pockets, in fact it is yet another example of the profligate use of the nation's limited resource, which the much richer Americans have rejected. They have decided that technology is cheaper than new airports, and their plan is to exploit their existing real estate to the uttermost. We should do the same.

A. J. Lucking.
Flat 20, 17, Broad Court, Bow Street, WC2.

The price of potatoes

From Mr J. Fuller

Sir,—I thank you for getting your cartoonist, Nick Carter, to produce such a delightful illustration for my letter (December 11). The smug grin on the face of the chemist holding the blue dye—"I'm clever. I thought up this one"—the broad toothy grin of the enthusiastic confident man from the advertising agency; plus potatoes everywhere. I am sorry that Robin Pooley, chief executive of the Potato Marketing Board (December 12) was not amused.

Since, however, he is sitting on a potato mountain costing £20m which is gradually turning to a mushy heap, I suppose we must excuse his tetchines.

What is not excusable is his inference that the British are privileged to have a PMB to guarantee adequate supplies for their voracious appetites. Eggs have not disappeared with the demise of the Egg Marketing Board, and in the highly unlikely event that the British farmer failed to supply the market with sufficient potatoes, then I am sure the Dutch would gleefully make up the shortfall. They have an exportable surplus this year of 1.5m tonnes and their transport costs would add 1p per lb; a sum which on Mr Pooley's figures would more than enable the British farmer to compete.

Mr Pooley also admits that the PMB acts as the agent in a conspiracy, aided and abetted by the Government, to maintain a minimum price for potatoes. If we were dealing with industry this would be considered a cartel and be illegal, but because it comes under the heading of the "sacred cow" of agriculture it is called a "price support operation" and becomes legal. Only the morning of December 17, listening to the PMB daily report we hear, and I quote: "There is evidence producers are selling on open ticket and to unlicenced sources without authority. Both these practices are contrary to the Board's regulations and are having a weakneing effect on the trade." Look out, you naughty farmers. Big Brother is watching you.

Fortunately for us—oppressed, exploited, non-farming members of the EEC—help would appear to be at hand. Should President Reagan and Mr Block, the U.S. Minister of Agriculture, be able to carry out their plans as outlined (December 14) then the cost to the Community of their agricultural policy will become even more astronomically expensive so that either they will have to make drastic reductions in the level of farm support or—dare we hope—abolish the Common Agricultural Policy altogether.

John H. Fuller.
15, Aberdour Road, Ilford, Essex.

Floating off in the City

From Mr R. Stewart

Sir,—When Mr Butcher suggests (December 13) that Stock Exchange member firms should hive off their corporate finance departments "eg to merchant banks," he seems to have failed to notice that most firms of stockbrokers with corporate finance departments will shortly be owned by merchant banks. It is arguable moreover, that a greater conflict than that between stockbrokers' corporate finance departments and broking functions exists and has always existed in the conflict between merchant banks' corporate finance and investment management functions.

One can see that there will be economies in having the same institution dealing with both corporate finance (which is inextricably linked with underwriting and broking/dealing. All these operations benefit from a large capital base and can therefore support each other. Investment managers however, should not need a large capital base and their function involves conflicts with corporate finance, underwriting and broking. Should not Mr Butcher's suggestion be amended so that firms float off their investment management functions?

Rogert Stewart.
Jesus College, Cambridge.

Imports of textiles

From the Chairman, Textile Industry Support Campaign

Sir.—Yet another academic is called upon to report on the textile industry—this time Prof Silbertson argues (December 14) thatour "protection" costs the UK consumer £500m per year.

This assertion is based on the premise that cheaper and more readily avaliable imports mean cheaper goods in the shops but the High Streets are awash with boutiques full of imported clothing bought for pennies and sold for pounds.

It is the importer and the middleman who would benefit from the free-for-all the learned gentleman advocates and further unemployment would hit the most loyal and strife-free sector of British industry.

It would be a sorry day indeed if our largest reailer had to abandon its well tried policy of buying British because there were no suppliers left.

John G. Bridge.
115 Windsor Road, Oldham.

Applauding at the opera

From Mr P. Shovelton

Sir, — William Weaver (December 19) says in relation to the new production of La Traviata in Florence: "It is always a pleasure to see a packed house applauding and shouting with approbation." Yes, sir, but not, please, after an aria or in the middle of an act. The Continental habit of applauding the singers midstream can only be compared with clapping at the end of a symphony movement. Would-be applauders of the latter type are rightly frowned upon and silenced. And fortunately at Covent Garden the Continental habit has virtually died out. Could the British not add to their services to humanity by influencing the great Continental opera houses against these disturbing interruptions?

Patrick Shovelton.
Long Marling, Down Lane, Frant, Tunbridge Wells.

FINANCIAL TIMES

Thursday December 27 1984

BALLOT-RIGGING AND DEATHS DISRUPT ELECTION

Voting reopens in Indian polls

BY JOHN ELLIOTT IN NEW DELHI

POLLING in India's general election reopens today amid allegations of ballot-rigging during the first stage of voting on Monday and after more than 20 people have died in violent clashes. One opposition leader has alleged that an attempt was made on his life.

A relatively high poll of 60 to 65 per cent was estimated for Monday's voting, which covered about two thirds of the country's 380m registered voters.

Mr Rajiv Gandhi's Congress (I) Party remained confident of a comfortable victory, even though it is usually assumed that a high poll favours the opposition.

Violence and ballot-rigging are commonplace in Indian elections particularly in the northern Hindi belt where the state of Bihar is always a centre of trouble.

The ballot-rigging, usually involving what is known as booth capturing, is carried out relatively openly. On Monday it was watched by journalists and other observers both in Bihar and in the Uttar Pradesh town of Baghpat, where Mr Charan Singh, a veteran opposition leader who was briefly Prime Minister in 1979-80, faces a tough electoral battle.

Party activists, sometimes armed, take over a polling booth and mark ballot papers or choose who is allowed to vote. They steal ballot boxes when polling has closed. Politicians from most parties indulge in such activities both to gain votes and to disrupt the successes of their opponents. Often they divert attention from their own difficulties by alleging that an opponent is ballot-rigging and then insist on a re-poll.

As a result of such activities on Monday, polling is to be repeated today in nearly 200 polling booths, mostly in Bihar, one of the country's poorest states.

The alleged assassination attempt was reported by Mr Atal Behari Vajpayee, president of the Bharatiya Janata Party, who said he was handed a grenade in a bouquet of flowers. However, Mr Shrikant Verma, Congress (I) spokesman in New Delhi, said last night that the grenade had no detonator and was as "harmless as a coconut." The allegations, he said, were a political stunt to gain sympathy for Mr Vajpayee.

Sikhs voted in large numbers on Monday, especially in Delhi. Several hundred paid one rupee each for a bus ride from their refugee camp to their polling station in Trilochpuri, where their homes were burned by Hindus after the assassination of Mrs Indira Gandhi on October 31.

Most Sikhs are believed to have voted against Congress (I) because of the army attack on their Golden Temple at Amritsar in June and because of Mr Gandhi's failure to solve disputes over the Punjab, their home state.

One of the first tasks facing the new Indian Government will be to try to resolve issues that lie behind the resentment between Sikhs and Hindus. Several thousand Sikhs fled from Delhi before Monday's polling to the Punjab and the adjacent desert state of Rajasthan, fearing further attacks from Hindus. No violence, however, was reported between Sikhs and Hindus in Delhi, where Sikh voters were escorted by police and volunteer workers in the poorest areas.

Merrill bid for Tokyo exchange seat fails

By Terry Povey in London

MERRILL LYNCH the world's leading securities brokerage house, has failed to become the first foreign broker to get a seat on the Tokyo Stock Exchange.

The U.S. company's Y1.25bn ($5m) bid for the seat was bettered by Japanese broker Utsumiya Securities, which had offered Y1.64bn.

Nine companies bid for the exchange seat that became vacant as a result of the merger of one of Japan's second-tier brokers with Yamaichi Securities – one of the country's big four.

Commenting after the announcement on Tuesday of Utsumiya's success, Mr Tetsundo Iwakuni, chairman of Merrill Lynch Japan, said: "We found in the course of the negotiations over this sale that the Japanese securities industry is very closed. *I am afraid that this impression will now spread further.*"

As the nine bidders had sought to influence Yamaichi in their favour over the last few months, many in the market appeared to think that the seat would inevitably go to Merrill Lynch. That would have been in line with the Japanese Government's policy of opening up the market and would have pleased Washington.

Japan and the U.S. have been engaged in high-level discussions on the yen-dollar exchange rate, financial and capital markets issues for more than a year.

In the end, however, group loyalties appear to have won over money and the cause of better international financial relations.

Utsumiya is an associate of Yamaichi, which holds a 9.1 per cent stake in the smaller Hiroshima-based broker. Utsumiya's bid failed to match the Y1.7bn offered by Okatoku, which also expressed disappointment at the outcome.

There might be controversy over the Yamaichi decision the traditional inner-group financial system is used to help Utsumiya play for its seat. The Hiroshima company only has capital of Y535m, but it can expect to receive from Yamaichi up to a third of its bid price as it is a member of the same group. Additional funds are likely to be easy to raise as the seat will be seen as certain to lead to a sharp rise in earnings.

Merrill Lynch seems to be taking the decision over the seat stoically, although U.S. officials may not be as generous when they consider Yamaichi's application for a place on the New York Stock Exchange (at present it is the only one of the big four without a seat on Wall Street) in the new year. The U.S. broker is still supporting the Yamaichi application and remains hopeful of getting a seat in Tokyo in 1985

Japan's Ministry of Finance, which strongly backed the open sale system used to sell this seat, is clearly a little embarrassed at the outcome.

Americans rush for London listing ahead of tougher rules

BY ALEXANDER NICOLL IN LONDON

CHRISTMAS ended early this year for the corporate finance departments of City of London merchant banks and stockbrokers that are assisting a stampede by U.S. companies to obtain listings on the London Stock Exchange before the new year.

From January 1 the exchange's new Yellow Book comes into force, making its listing requirements conform with European Community directives and giving many of them the backing of law.

The City is still pondering the long-term implications of the new rules, which will make the procedure *for issuing most types of securities* – including those issued to finance takeovers – considerably more cumbersome.

The most immediate effect, however, has been to provoke a rush by U.S. companies to apply for listings because the new regulations make the process considerably more costly for them.

Until now London has accepted that companies listed on the New York and American stock exchanges have already submitted themselves to adequate scrutiny. To be quoted in London they simply had to arrange for the publication of their accounts on an Extel card, including financial records for five years, and publish a small newspaper advertisement.

Under the new rules U.S. companies will have to publish extensive details, including a full account of their history and activities, as would any other company applying for a London listing. Although all the information would already have been disclosed in New York its compilation into a formal document will *involve bigger professional fees* as well as other costs.

In December at least 20 U.S. companies will have secured London listings. So will have four British companies graduating from the unlisted securities market to a full listing, which would also be affected by the regulations.

The U.S. arrivals include Engelhard, the minerals and chemicals company, Enserch, the energy company, R. J. Reynolds Industries, the tobacco and food group, Hospital Corporation of America and the Home Federal Savings and Loan Association.

The new Yellow Book not only makes listing requirements more specific, extensive and statutory, but includes new bureaucratic language. A prospectus will be known as "listing particulars" and a waiver of the rules a "derogation".

The City is uncertain what degree of flexibility the stock exchange's quotations department will see fit to apply. So far it has adopted a commonsense approach to granting waivers (derogations) of specific rules.

The department will certainly have more reading to do as it vets longer documents more formally. Merchant bankers and stockbrokers, after spending their days after Christmas helping to pre-empt the new rules, will work long hours in the new year as they prepare corporate clients – both British and a *perhaps dwindling number of U.S.* – for shares quotes.

Pacific Telesis to move into UK

BY JASON CRISP IN LONDON

PACIFIC TELESIS, one of the leading U.S. telephone operating companies, is to enter the British telecommunications market through acquisitions and joint ventures.

As its first move it is to purchase an electronic mail company which will bring it into competition with operations run by British Telecom and Cable Wireless. Pacific Telesis, freed to operate overseas by a recent U.S. court ruling, is planning further and significantly larger acquisitions and joint ventures in the UK.

The deal will be the first overseas purchase made by Pacific Telesis and follows the granting of a general waiver by Judge Harold Greene in Washington less than two weeks ago. Pacific Telesis, which was part of American Telephone & Telegraph until the break-up last January, had sales of $5.75bn in the nine months to September 30.

Pacific Telesis operates the telephone system in California and Nevada and is keen to expand overseas in Europe and the Pacific basin. Earlier this year it tried to buy a stake in Mercury, the UK's privately owned telephone network competitor to British Telecom. Mercury is now a wholly owned subsidiary of Cable and Wireless.

Pacific Telesis is to buy Kensington Datacom, a small company set up earlier this year with the backing of a number of British institutions, including J. Henry Schroder Wagg, the Post Office Pension Fund and Barclays. Kensington Datacom runs an electronic mail service called One to One which ran into difficulties earlier this year because of problems with its computer

The deal is expected to be completed early next month. Pacific Telesis is thought to be paying about £1m ($1.17m) for Kensington Datacom, which is the same as the original investment in the company. Pacific Telesis will inject fresh money into One to One in a bid to gain a significant share of the new but fast-growing market for electronic mail services in Britain.

At present the market is dominated by Telecom Gold, a joint venture between British Telecom and ITT Dialcom, which is a big electronic mail service in the U.S. The other main contender in Britain is Easylink, a joint venture between Cable and Wireless and Western Union.

Pacific Telesis is looking at a number of other areas to expand in the UK. It is expected to concentrate on the emerging market for so-called value-added network services.

Phillips fights off Mesa bid

Continued from Page 1

● Phillips will buy in 58.5m shares, or 38 per cent of its 154m shares outstanding, using new debt securities valued at $60 a share. The value of the securities is equal to the offer price of $60 a share proposed by Mr Pickens.

● Over about a year a further 20m shares are to be purchased in the open market. These are to be acquired at not more than $50 a share, at an expenditure of around $1bn.

● Up to 32m shares are to be issued to an employee stock ownership plan (Esop), which can borrow money for the acquisition at favourable rates due to changes in federal tax laws.

● Mesa will sell its 8.9m shares for $53 each, with Phillips promising to make up the difference if the market value of the shares falls below that price.

● Phillips will sell around $2bn worth of assets to pay for the estimated additional $3bn of debt it will be taking on because of the transaction.

By setting a value of $53 a share on Mr Pickens's stake after the buy-backs, Phillips is effectively trying to establish that price as a target value for its shares.

This price would be much higher than the $35-a-share at which Phillips's stock was trading before takeover speculation began in the summer, but some analysts still believe that Phillips is vulnerable to a bid. By seeking to stabilise the share price at $53, the company would find it hard to contest an offer of more than that price, analysts say.

On the other hand, once the employee stock ownership scheme has been enlarged to the suggested amount, it would be extremely hard for any aggressor to take over the group.

World Weather

Readings at mid-day yesterday

Iran steps up attacks

Continued from Page 1

Military communiques from Baghdad in the past few days have claimed hundreds of air sorties being flown against Iranian troop concentrations. Iraq is also believed to have moved some of its forces north from the port of Basra.

The offensive, when it comes, is expected to be similar to the one launched opposite Baghdad in October and to have limited objectives. In October Iranian troops recaptured a small slice of territory but were then forced again to concede most of it in Iraqi counter-attacks.

Iran has pledged that it will continue the war until the Government of Iraq's President Saddam Hussein is overthrown, although it does appear to have at least temporarily abandoned its earlier mass offensives involving tens of thousands of troops and revolutionary guards.

The Iranian news agency said yesterday that two bomb explosions in Tehran had killed six people and injured 50. The opposition Mujaheddin denied from its Paris headquarters that the Iranian Government charges that it had been responsible.

Bath and Portland accepts friendly £61m bid

By Martin Dickson in London

CONSOLIDATED Gold Fields, the UK-based *international mining and* industrial group, has unexpectedly stepped into the takeover battle for Bath and Portland Group, the quarrying and construction company, with a £61.5m ($72.3m) agreed offer – some 26 per cent higher than the hostile bid launched last month by C. H. Beazer (Holdings), another UK group.

The Gold Fields deal was put together suddenly on Monday, Christmas Eve, after institutions holding 16 per cent of Bath and Portland's equity signalled that they were interested in selling.

"They canvassed the market and it became plain the company was going to someone," said Mr Humphrey Wood, chairman of Gold Fields ARC, the group's non-mining division. "If we were going to bid for Bath and Portland it was a question of move now or never."

Gold Fields already has a large and successful UK aggregates business, Amey Roadstone (ARC), which last year made the largest single contribution to the group's profits. Mr Wood said Bath and Portland would make "an excellent fit" with ARC, increasing its aggregates operations by 15 per cent, ready-mixed concrete by 17 per cent and coated stone by 4 per cent.

There was no immediate reaction to the offer from C. H. Beazer, an aggressively expanding house-building and property group which has launched five takeover bids in the last year. Mr Brian Beazer, the chairman, said he had yet to see the *terms of the Gold Fields bid and his* board would "consider the matter most carefully." The company will meet its financial advisers, County Bank, today.

C. H. Beazer holds more than 22 per cent of Bath and Portland's equity – but that includes an 18 per cent stake acquired last October when it took over Bath-based property developer M. P. Kent.

Gold Fields said yesterday that under a special legal agreement Kent was obliged to follow the Bath and Portland board's recommendation of acceptance – unless it launched a higher offer itself.

Gold Fields, which has no stake of its own in Bath and Portland, also has irrevocable undertakings to accept its offer, if declared unconditional, from holders representing 16.18 per cent of the equity.

Nevertheless the Gold Fields deal still leaves open the possibility that Beazer, or another predator, might make an even higher bid attempt.

For every three ordinary 25p Bath and Portland shares, Gold Fields is offering one new ordinary Gold Fields 25p share, plus 420p in cash or a 9 per cent loan note. On the basis of Gold Fields' closing price on Monday of 485p, up 2p, each ordinary Bath and Portland share is worth 301.7p.

That compares with a Bath and Portland closing price on Monday of 281p, up 4p, and an equity and cash bid from Beazer worth 236.8p at Beazer's Monday close of 362p, unchanged on the day.

Gold Fields is offering holders of Bath and Portland's 5 per cent preference shares 100p in cash. If the offer becomes unconditional, Bath and Portland will declare a 3.5p dividend for ordinary shares, taking the total for the year to October 31 to 6.25p, against 6p in 1983.

Mr Iain Clarke, Bath and Portland's chief executive, said yesterday that Gold Fields had offered "a fair price" for the company. The two sides had already been discussing the possible sale of a Bath and Portland division, but Gold Fields had only made a full bid approach last weekend.

The size of the offer, relative to Beazer's, had made it very difficult for Bath and Portland to defend its position. "If we had to go anywhere, we were happy to go to ARC," he added.

The bid is Gold Fields' largest single takeover deal for three years and accords with the group's strategic decision to concentrate on the mining and construction sectors it knows best, rather than diversifying into wider industry, where it had some bad burns in recent years.

Gold, particularly its South African interests, is still the group's largest single source of profits – 43 per cent last year, against 32 per cent for construction materials and 25 per cent for other mining and industrial activities.

However, construction materials account for some 33 per cent of sales, against 24 per cent for precious metals, and last year ARC showed record operating profits of £38.1m, compared with £35m in 1982-83.

THE LEX COLUMN

Fair shares for all in 1984

A vintage year in London for equities, certainly, every bit as satisfying as the well remembered 1983. It has had the same rich bouquet of rising profits and dividends, and any reservations about the long-lasting depth of economic recovery underneath the 1984 market have been quelled by the specific gravity of capital gains – another 23 per cent, just a notch better than last year.

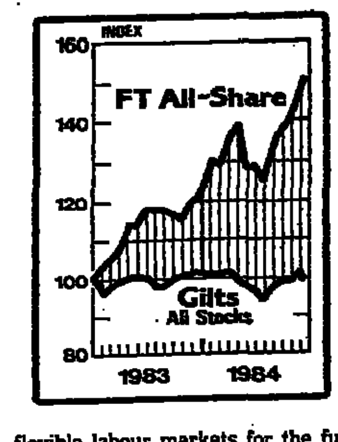
So almost everybody in the London equity market has good reason to feel quite a lot better off than two years ago. Just in terms of growth in the All Share, without any fancy fund-manager's footwork, the over*all capital gain since the beginning* of 1983 is a remarkably decent 52 per cent, and only negligible amounts of inflation are there to spoil the aftertaste. For the fortunate top layer of London stockbrokers, who have been able to withdraw their capital from the business of buying and selling equities, it has been a vintage that can never be equalled.

In naive domestic terms this is all a little surprising. This time last year many people thought that we had seen the best of the recovery in output and quite likely in UK industrial profits as well. In the same vein, not much comfort was expected from the interest rate environment – correctly enough, as it proved. Given this outlook, the narrow gap between share yields and the low-risk return on index-linked seemed to leave equities very little elbow-room.

Rumblings

Moreover, there were already some rumblings of the UK miners' strike a year ago. Although scarcely any suspicions of its length and political seriousness. In advance, it would not generally have been thought that a nine-month coal strike, with a couple of more briskly damaging dock strikes thrown in, would leave the market's optimism intact. More worrying than any of these arguments, to those who believe in weight-of-money, was the looming £4bn sale of British Telecom – an expected demand on insti*tutional cash flow which overhung* the market all year.

The strikes can be written off without too much delay. For the equity market, as for the Chancellor of the Exchequer, a fight to the limit with Mr Arthur Scargill, president of the mineworkers' union, is no doubt a fair investment in more



flexible labour markets for the future. In any case, the coal strike has had only modest effects outside industries immediately connected with coal.

It seems clear enough that the City of London has set whatever fears it has to one side, discounting a disastrous political outcome as totally improbable. Unless the strike *ends in a shambles, its significance* in the equity market will probably now be confined to a calculation of its favourable effects, such as output growth postponed into 1985 – when it might otherwise have been relatively slack.

Likewise, the fear that the UK recovery might have run its course in 1983 was premature, to say the least. Output may not have gone *ahead by a great deal in real terms* – most estimates fall somewhere between 2 and 3 per cent – but profits clearly have. Even on a small rise in turnover, the UK economy still had the advantage of high operational gearing as it made use of spare capacity. Corporate earnings are estimated to have jumped by anything up to 35 per cent.

As far as simple arithmetic goes, the factor has done most to reconcile all these doubts with a 110 points rise in the All Share – to 579.98 – must be the rise in dividends. This has been strong enough to keep the market yield to almost exactly its level at the end of 1983, just a shade over 4.5 per cent. To achieve this has required a 15 per cent rate of dividend growth – *which might stretch further by the* time calendar-year companies have reported.

In real terms this is a clear 10 per cent improvement, the biggest post-inflation increase in distribution that the market has seen for a decade. Companies can well afford it; liquidity is still very strong and with earnings cover of about 2½ times on an historic cost basis, the dividend stream has perhaps gained a bit in overall quality.

The old-style yield gap has thus widened a fraction, since conventional gilts have again failed to make progress during the year, failing yet again to pierce the 10 per cent yield barrier. Indeed, the resurgence of worries about the price of crude oil at the very end of the year stemmed a rather promising rally.

In a more indulgent currency climate, gilt-edged might have taken a firmer cue from Wall Street, where yields have been falling on and off for four or five months. Lately they have been doing so to the accompaniment of cuts in the Federal Reserve's discount rate, evidently signalling the Fed's wish to prevent the U.S. real economy from stalling.

Devaluation

In 1984, as for some time past, it is probably to the finances of the U.S. Government that one must look for the clue to what has happened elsewhere. It is, after all, the federal deficit which has pulled in such enormous surpluses on the U.S. capital account, enabling the dollar to rise still further against all currencies – and most new year predictions. It is exports from Europe and Japan which largely make up *the offsetting current account* deficit, and which have played a large part in improving the earnings experience of markets other than Wall Street.

Sterling's 20 per cent decline against the dollar has also brought spectacular translation gains into the accounts of British companies who were buying the American sunbelt when sterling was at its painful peak in 1980 and 1981.

Looked at through the other end of the telescope, that means London has not quite produced the strength, or body, that a dollar investor would wish to see. Wood Mackenzie estimates that the total return on the All Share was a mere 5.4 per cent to U.S. funds, compared with just over 6 per cent on a disappointingly dull Wall Street.

Given pre-Christmas talk of $20 oil, the short-term currency risk on sterling may be quite discouraging to U.S. investors. So it is just as well that UK funds seem to have taken the opposite view, and piled into Telecom as if Wall Street had never been invented.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd. 1984.

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday December 27 1984

Tenneco-Harvester deal faces Trade Commission probe

BY OUR FINANCIAL STAFF

THE U.S. Federal Trade Commission (FTC) has launched an anti-trust investigation into the proposal by Tenneco to acquire the farm machinery assets of International Harvester.

The move by the FTC came at the request of the U.S. Department of Justice, and officials said the investigation would most likely be completed by late January.

Tenneco has agreed to acquire Harvester's farm machinery assets for $430m in cash and stock and to take over $75m of Harvester's unfunded pension liabilities.

At the time of the announcement of the deal, Tenneco made it clear that the timing of the move had been partly dictated by possible anti-trust considerations. The FTC was seen as far more likely to allow the bid to go through under the failing companies laws, and it is not expected that the commission will now to block the deal.

The FTC now has the choice of either recommending approval of the deal to the merger screening committee, citing the failing company provision of the Clayton Act or asking the Department of Justice to challenge it on anti-trust grounds.

FTC investigators are thought already to have started soliciting data, comments and opinions from Harvester's chief farm industry competitors.

Officials said they did not believe any of Harvester's primary competitors would object to the deal because several were themselves engaged in similar negotiations.

One of these, Allis-Chalmers, is talking with Massey-Ferguson about jointly building and selling farm tractors and self-propelled combines in the U.S. and Canada. An agreement on such a joint venture could come in early 1985.

Deere managers said the company was closely watching the outcome of the FTC's investigation of the Tenneco-Harvester deal, noting that FTC approval might prompt Deere to take another look at the possibility of acquiring Sperry's New Holland unit.

In mid-1984, Deere's middle managers are believed to have submitted a plan to senior company management, recommending the acquisition of New Holland.

Senior Deere management rejected the proposal, however, citing expected adverse anti-trust reaction from the FTC and the Department of Justice as primary reasons

Paul Betts on why the oil derricks are going up around Paris

Total takes a gamble on home ground

COMPAGNIE Française des Pètroles, France's multinational oil group which trades under the Total name, has succumbed to the charms of the gentle rolling countryside of the Brie on the western flank of Paris.

Its interest in this region of cereals and sugar beet is not, however, purely aesthetic for, after Aquitaine in the south-west of the country, this area – only an hour away from Paris – has proved to be the most promising oil prospect in France.

Total is now the second largest oil producer after Esso, the French offshoot of the U.S. Exxon group, in the Paris basin – popularly known as "Dallas-en-Brie." Although the current operations in the basin are modest by international standards, Total, like Esso, is investing more and more in this local prospect.

The company plans to double its French exploration and production budget next year. "After spending about FFr 200m ($21m) in France this year, we plan to spend some FFr 400m in 1985," says M Pierre Vaillaud, head of Total's worldwide exploration and production operations.

"The cost of drilling 40 to 50 wells in the Paris basin is the equivalent of drilling one deep offshore well in the Mediterranean. Quite frankly, I prefer to drill 40 to 50 wells in the Paris basin," he says.

Total, with its partner, Triton, a French subsidiary of the UK-based Invest Energy company (itself a subsidiary of Triton Energy of Dallas), is currently producing about 2,500 barrels a day (b/d) of oil from its field at Villeperdue. M Vaillaud expects production to increase to a rate of between 6,000 and 8,000 b/d by the end of next year.

Total and Triton also have high hopes for a nearby field at Melun, which borders Esso's discovery at Chaunoy. Esso expects to produce 10,000 b/d at Chaunoy by next year.

Although this rate of production represents only a trickle within Total's worldwide oil output of around 800,000 b/d, it is, in the words of a company exploration official, "good money."

The Paris basin is the sort of prospect on which small and medium-sized independent oil companies thrive in the U.S., and at a time of general belt-tightening in the oil industry, the emphasis among the oil majors has shifted away from sheer volume.

Total is no exception. "What interests me is to see the FFr 700m we have sunk into French exploration pay back as soon as possible," M Vaillaud says. He expects it will take three to four years for the Paris basin discoveries to pay back this amount.

Total's commitment to domestic activity also reflects the evolution in the group's approach to exploration and production, however. Unlike Elf Aquitaine, the other large French oil company which has grown rich on its huge gas reserves at Lacq in south-west France, or for that matter Esso, the largest crude oil producer in France, Total has only recently established its presence in the domestic exploration and production scene.

Traditionally, Total's main operations have been centred in the Middle East, Indonesia and the North Sea, but the French company has been seeking to restructure its international exploration and production operations through concentrating more on western OECD areas.

M Vaillaud says Total will be significantly increasing its exploration and production spending in the U.S. next year. "So far we have spent peanuts," he acknowledges.

Unlike Elf, whose U.S. strategy has been to concentrate on the new frontier regions of the U.S. outer-continental shelf of California and Alaska, Total intends to adopt a much more cautious approach. It does not plan to go in initially for high-cost, high-risk U.S. oil prospects but stick to smaller onshore and offshore sites in Texas and Louisiana.

M Vaillaud also says there will be a significant increase in Total's exploration spending next year. Total this year devoted only FFr 1.6bn to exploration, reflecting the squeeze following the heavy losses on its refining operations and the oil market slump. The company reported a loss of FFr 1bn in 1982, the first in its history, but it has been recovering, reporting earnings of FFr 420m in 1983 and of FFr 1.2bn in the first half of this year.

Despite Total's efforts to redeploy some of its exploration operations away from traditional patches, the non-OECD countries will still account for more than half of the group's exploration and production budget next year. M Vaillaud would not disclose the size of next year's budget since it still had to be approved by the board and the group's recently appointed new chairman, M Francois-Xavier Ortoli, the former French EEC Commissioner and former Gaullist minister.

He says about 25 per cent of new exploration spending will involve the North Sea and about 30 per cent Africa. The Far East will probably account for less than 10 per cent of exploration investment, France about 10 per cent and the rest of the world 25 per cent.

Among the areas where Total has interests is Argentina, where promising offshore oil development prospects continue to be blocked by the Argentine debt crisis. In Sudan, Total is also holding on to extensive acreage but has no immediate exploration projects.

The geographic distribution of Total's exploration and production budget is still a far cry from those of other large oil companies. "Between 70 and 90 per cent of their budgets are concentrated these days in the North Sea and in North America," M Vaillaud says.

M Vaillaud and other senior Total executives appear encouraged by the results so far of their recent foray into oil exploration in France, modest as they may be on an international scale. Production costs are low in the Paris basin, averaging between $6 and $8 a barrel. The crude is of good quality with an API gravity of 34 degrees at Villeperdue and around 37 degrees at Esso's Chaunoy field.

Moreover, the large Elf refinery of Nargis is conveniently close to the Paris basin oil fields. The two French oil companies, Total and Elf, are now so enthusiastic about the area that they have applied for permits to conduct seismic studies in the city of Paris itself.

"After all, there may well be oil under the city and the Eiffel Tower would make a perfect oil derrick," said a Paris-basin oil man.

Winding up order for Deak Perera

By David Dodwell in Hong Kong

THE HONG KONG Government will today petition for a winding-up order on Deak Perera (Far East), the Hong Kong-based foreign exchange and gold dealer that ceased operations two weeks ago when its U.S.-based parent filed for protection from creditors under U.S. bankruptcy laws.

The move follows the appointment earlier this week of an inspector to investigate the affairs of the company and the granting of a High Court injunction freezing the company's assets in Hong Kong. The collapse of Deak Perera, a group which spans financial services as well as gold and foreign exchange dealing, has raised embarrassing questions in both Hong Kong and the neighbouring Portuguese-administered territory of Macao about the regulation of companies not entitled to operate as deposit-taking companies.

Local depositors who are owed more than $30m have over the past week put increasing pressure on the Government to liquidate the company. There is concern that delay may have allowed the group to transfer deposits outside the territory's legal jurisdiction. Deak Perera had a subsidiary – Deak Perera Finance – which was registered in Hong Kong as a deposit-taking company. It has become clear since the collapse, however, that many deposits placed with the company were channeled through the gold and foreign exchange dealing subsidiary to Deak and Co (Macao).

The licence of Deak Perera Finance has been suspended on the grounds that it was being managed "in a manner detrimental to depositors."

Swissair expects higher profits

BY JOHN WICKS IN ZURICH

SWISSAIR, Switzerland's national airline, now expects to show a higher net profit for 1984 than the record SwFr 56.3m ($22m) booked for the previous year. In November, the company had said it awaited earnings at about the same level as for 1983.

According to Mr Robert Staubli, management chairman, the improvement has been possible despite the negative effect of exchange-rate developments. For the first time since 1979, he said, actual flight operations had just been in profit.

However, Mr Staubli pointed to a number of "unwelcome aspects" in 1984 business. Those included the drop in passenger volume at a time of worldwide sales growth, difficult landing-rights negotiations and increased costs in a number of sectors.

He said the airline had taken steps to counteract such negative factors wherever possible or necessary. The inclusion of such measures in the 1985 budget meant that Swissair again reckoned on "positive earnings prospects" next year. The budgeted net profit for 1985 is put in the same bracket as that for this year and 1983, he added.

● Hilti, the Liechtenstein-based industrial concern, will book record earnings for 1984, according to Professor Martin Hilti, the company chief.

With consolidated group turnover up 16 per cent to some SwFr 1.45bn ($564m) profits and cash flow are expected to grow by more than 30 per cent for the year. That means net earnings will be well over SwFr 30m against the 1981 record profit of SwFr 27.8m.

Hilti, which specialises in making fastening systems and power tools, benefited this year particularly from increased marketing efforts and cost-control programmes, according to Professor Hilti. The company had also profited from better economic conditions in principal markets and a favourable exchange rate.

He added that Hilti expected "further favourable development" in the coming year.

Borregaard lifts stake in Nora

By Fay Gjester in Oslo

NORSK-HYDRO and Borregaard, two of Norway's leading industrial concerns, have announced a share swap worth about NKr 200m ($22m), which substantially increases Borregaard's stake in Nora, a profitable foods and beverage group, while making Hydro the 100 per cent owner of the chlorine plant at Norway's Rafnes petrochemicals complex.

Since the Rafnes complex was completed in 1977, the chlorine plant has been jointly owned by Hydro and Borregaard. In exchange for Borregaard's half-share in the facility, Hydro has sold its 22 per cent shareholding in Nora.

Bond buys Brisbane TV station

BY OUR FINANCIAL STAFF

BOND Corporation, master company of Mr Alan Bond's Perth-based beer, property and investment group, has agreed with Amalgamated Wireless Australia (AWA) to acquire the QTQ 9 television channel in Brisbane, Queensland, for A$65m (U.S.$54.2m).

Bond Corp has also agreed to sell its Perth radio station 6KY to AWA for A$7.5m. The radio station was part of the Swan Television and Wireless company bought a year ago by Bond Corp.

Bond Corp said the acquisition of the Brisbane station demonstrated its commitment to the television industry. It currently operates the Perth television station STW 9 through Swan.

Both QTQ 9 and STW 9 are now closely associated through their involvement with the Channel 9 network of television operators, and the management and operations of QTQ 9 are well known to STW 9.

The acquisition price for QTQ 9 would be made in cash from Bond's existing lines of credit, the company said.

Kuala Lumpur Kepong doubles profit

BY WONG SULONG IN KUALA LUMPUR

KUALA Lumpur Kepong, Malaysia's fourth largest and rapidly-expanding plantation group, has doubled its pre-tax profits to 102m ringgit ($42.5m) for the year ended September, on turnover which rose 72 per cent to 249m ringgit.

The improvement stemmed largely from high palm oil prices, together with higher production of oil palm and increased income from associated companies.

Consolidated attributable profit was only 30 per cent higher at 80m ringgit because of the non-recurring sale of investments in the previous financial year.

The final dividend is 10 cents, making an unchanged 15 cents for the year. The group expects profits for 1985 to be as good as the results just achieved, barring a sharp decline in palm oil prices.

NZ licence for Seagram

SEAGRAM, the international distilling group, has received a licence to produce gin and vodka in New Zealand. It will expand and re-equip its NZ subsidiary, Wilson Distillers, which already makes whiskey, to produce gin and vodka.

It will use New Zealand as a base for exports to Australia and the South Pacific.

How to identify counterfeit securities

BY MAGGIE URRY IN LONDON

SCROOGE used to spend Christmas counting his money. Years of gloating over his gold meant that he could spot a fake sovereign from more than an arm's length away. Life is harder for a Eurobond investor looking through his portfolio. Counterfeit bonds can look very like the real thing.

The anonymity value of bearer bonds is well known; but since the actual bonds are the only evidence of ownership, they also lay the buyer open to counterfeiters. The case of the fake J. C. Penney zero-coupon bonds is still fresh in investors' minds.

Those bonds were picked up by an eagle-eyed banker when they were delivered to Morgan Guaranty in December 1982.

Had they not been noticed, they could have passed around the system for years and been found only at redemption. Perhaps there are other dud bonds out there now.

So how can an investor tell if what he has is the genuine article?

The bonds have a number of safeguards incorporated by the printers. If those safeguards are missing, or do not look and feel right, a bondholder should question whether there is something wrong with his paper.

Unfortunately, these features are not universal among Eurobonds. The British Bankers' Association has recently laid down minimum requirements for printing Certificates of Deposit if they are to be good for London delivery. They cover four standards for the paper and 13 printing techniques – most of which would flummox a counterfeiter or forger on their own, and when combined form a formidable line of defence.

Most bonds will have an intaglio border. Intaglio (the "g" is pronounced) printing, by using steel engraved plates, gives that slight raised effect to the ink, which feels rough when a finger is rubbed over it. A litho-printed copy would just have a flat layer of ink on the paper.

The intaglio process, which is recommended by Interpol as providing the maximum guarantee against counterfeiting, also gives very clear detail to the complex pattern which a photocopy or other printing process cannot reproduce. So if the border on the bond looks blurred, get suspicious.

Photocopiers can also be defeated by the "void concept" now compulsory for CDs. A word, such as "void," can be hidden in the final detail of printing, which shows up the certificate is colour photocopied.

Intaglio printing can also conceal a "latent image," a feature developed by Bradbury Wilkinson, the security printers. From above the printing looks just like the usual pattern, but if the document is tilted and read from the edge of the paper, a message appears which has been hidden in the depth of the raised ink. The latent image can be produced only by intaglio printing.

Printers can use special inks which will produce a nasty mark if a forger tries to alter or erase them – for instance when trying to change the amount from $5,000 to $10,000. Fluorescent ink can be used, which will glow green under ultra-violet light but looks black or is invisible under ordinary light.

A fake is easiest to detect when it is compared directly with a genuine bond. Euro-clear and Cedel, as well as the issuer of a bond, keep specimen copies. They can check that the security features of the serial numbers match up, and that the serial numbers are correct.

Many bonds, especially older ones, do not include some of these, and other security features which printers can incorporate. Stock exchanges now require some of these features to be included in bonds which they list. In the end, however, it is up to issuers to decide

IRELAND FINDS A NEW WAY TO TRIM BORROWING COSTS

Dublin cashes in on easier terms

BY MARGARET HUGHES, RECENTLY IN DUBLIN

IN APRIL the Irish Republic became one of the first of the current spate of sovereign borrowers to negotiate easier terms on an existing syndicated loan, taking advantage of better market conditions.

Now, however, it is adopting a different approach to reduce the cost of its foreign borrowing. Instead of renegotiating existing loans, Ireland aims to prepay as much as possible of its credits using funds raised on easier terms either through floating-rate note (FRN) issues with longer maturities or in the fixed-rate bond market.

Its priorities are to prepay short-term maturities such as the multi-currency two-year credits arranged privately through Japanese banks and syndicated credits with higher margins, particularly those maturing in the late 1980s when the Republic faces a repayment hump. In both 1988 and 1989, repayments of existing debt are scheduled to top the I£900m ($891m) mark, which the Finance Ministry would like to reduce to about I£600m. With only some I£300m of existing debt to be rolled over next year, there should be scope for doing so. Assuming that foreign borrowing next year will be around the same level as 1984 – at I£1.3bn – that should provide I£1bn in new money. This year, repayments amounted to I£680m, leaving new money of I£640m.

Ireland has already used part of the proceeds of three FRN issues – one of $300m arranged by Merrill Lynch, another for the same amount by Deutsche Bank and most recently a I£100m deal by Samuel Montagu – together with several Japanese private placements to prepay syndicated credits. Those prepaid so far either carried short maturities or margins of ⅛ or ¾ percentage points over London interbank offered rate (Libor) and has now started prepaying loans with margins of ½ point above Libor.

Dublin bankers point out that by using part of its I£100m FRN funds (which were raised at ¼ point over Libor over 10 years), to prepay the sterling tranche of a $400m multi-currency loan signed in the 1980s which carried a margin of ⅝ point over Libor, it has reduced the cost by ⅜ of a point.

Ireland's debt repayment schedule

	(I£m)
1987	650
1988	985
1989	926
1990	660

That compares with a reduction of ⅛ point achieved during the somewhat acrimonious renegotiation this year on the Libor tranche of the $550m syndicated loan first arranged in June 1983 by Citicorp.

This year, the Republic will have prepaid loans totalling between $400m and $500m. Next year it hopes to prepay some $800m.

The total covers $500m of syndicated loans originally raised at ½ point over Libor and some $100m of short-term multi-currency credits raised through Japanese banks. The rest are note-purchase facilities maturing in 1988 and 1989 where it wants to extend the maturities. The Department of Finance intends to raise the funds through a combination of FRN issues and fixed-rate bonds with the aim of maintaining a ratio of 3 to 2 between the two.

Part of the proceeds from the DM 200m 10-year bond which is to be issued in January will be used to prepay debt while the Ecu 100m raised on the fixed bond market this month will go towards next year's new money.

Ireland's total outstanding foreign debt currently stands at around $8bn. Its debt service ratio is around 13 per cent this year but should drop to 10 per cent in 1985.

Since 1981, when it raised I£1.28bn, Ireland has been reducing the level of its new foreign borrowing. This year the target for new money was I£640m. Under the economic plan announced in the autumn, the aim is to "control" the amount raised abroad. The Department of Finance has already arranged foreign borrowings totalling I£800m towards next year's gross foreign borrowing requirement.

In recent years Dublin has been able to raise increasing amounts domestically as liquidity has grown with the reduction in the balance of payments deficit. That has been reduced from 15 per cent of gross national product in 1981 to 5 per cent this year and the target is to bring it down to 3 per cent by 1987.

UK COMPANY NEWS

Relocation manoeuvre by Good Relations

By Ray Maughan

Good Relations, the first public relations company to be quoted on the London stock market, is pulling its corporate affairs and city communications divisions out of the Square Mile fi relocating them on the head offices in Russell Square.

The move pushed the share price down 43p to 237p on Monday, but Mr Ken Andrew, a Good Relations director, said that this is a very "positive expansion of our business." No redundancies are envisaged, but by aligning the City specialists alongside the design and advertising operations, the group is creating a "much more powerful unit to serve the needs of our clients."

The consumer and technology divisions are to move to new offices near the Russell Street HQ. And a further 7,200 sq ft of offices are being acquired to house the recently acquired Paul Winner Marketing Communications group and to accommodate other parts of Good Relations "which will be significantly expanded in 1985."

The net effect of the moves is to add 17,000 sq ft of additional accommodation and to vacate 8,000 sq ft.

ICC Oil profits rise

Higher taxable profits of £416,000, against a restated £369,000, were attained by ICC Oil Services, a USM stock engaged in corrosion control/specialist coatings, industrial services, building cleaning, restoration and preservation.

Turnover for the six months to end-September 1984 amounted to £8.07m (£6.67m), and the company reports that it has been contracted to disassemble various components of the Esso refinery at Milford Haven with an anticipated value in excess of £6m.

Tax for the interim period was £183,000 (£192,000), giving earnings per share of 0.45p (0.36p).

Amalgamated Estates £3m bid for L & M Securities

BY MARTIN DICKSON

Amalgamated Estates, the property investment company, is making a £3.3m all-paper bid for London and Manchester Securities, a property development company quoted on the Unlisted Securities Market.

Mr Graeme Jackson, chairman of London and Manchester, said that provided the terms of the bid were right, there would be a "great deal of logic putting the two companies together. "He will be meeting his financial advisers today to discuss the offer.

Amalgamated's move follows an agreement last week under which London and Manchester is buying for £2.5m a private investment company, T and P Investments. T and P in turn owns a 44 per cent stake in Promotions House, which holds some 29 per cent of Amalgamated's equity.

Mr Jackson said that he had discussed with the Amalgamated board the possibility of London and Manchester taking over the company. However, since Amalgamated had a full listing, there were advantages in it making the bid approach: "We told them to go ahead and let us see if we liked the terms."

Amalgamated, which lost £1.45m in the year to last March, has been under the chairmanship of Mr David Pearl since the spring. It raised some £1.4m last month through a rights issue. London and Manchester, which reversed into Carlton Real Estates last January, achieved pre-tax profits of £376,000 in 1983.

Some 40 per cent of London and Manchester's equity is under the control of its board, whose attitude will be crucial to the bid.

Amalgamated is offering two of its ordinary shares, which closed after the bid announcement on Monday at 5p, down ½p, for each London and Manchester ordinary, which closed at 9p, down 1½p.

If London and Manchester's acquisition of T and P goes unconditional, Amalgamated will offer to buy all 6m ordinary and 19m non-voting ordinary shares in London and Manchester being issued in payment to T and P's shareholders.

Two non-voting ordinary shares in Amalgamated would be offered for each London and Manchester non-voting.

Amalgamated said the vendors of T and P Investments had indicated they intended to accept the offer.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

FUTURE DATES

Interims:—	
Bestwood	Dec 28
Black (Peter)	Jan 11
Haynes Publishing	Jan 29
Jones Stroud	Jan 10
New Court Natural Resources	Jan 4
Newmark (Louis)	Jan 24
Finals:—	
Bootham Engineers	Jan 23
Horne (Robert)	Jan 9
IMI	Mar 26
M & G Dual Trust	Jan 9
Oakwood	Jan 17
Valin Pollen International	Jan 10

Rotaprint warns on full year outcome as losses deepen

THERE HAS been a setback at Rotaprint, maker of offset lithographic printing machines. The loss for the first half has shot up from £165,000 to £443,000 and, in spite of the historical improvement in the second half, the size of the loss "makes it unrealistic to anticipate a profit for the full 12 months," the directors state.

Consequently payment of the arrears on the 11½ per cent cumulative convertible redeemable preference shares is not envisaged in the near future. At October 1 arrears amounted to £129,000. In the second half of last year the company was in profit to the tune of £397,000.

In the six months, ended September 29 1984, sales declined from £7.39m to £7.05m and the trading loss increased from £65,000 to £306,000. This reflects a downturn experienced in difficult markets at home and in some overseas territories, and the impact of such upon production planning and costs. The miners' strike has dampened business confidence and some capital investment decisions are being delayed.

The directors have decided to improve export margins by concentrating on the more profitable areas at the expense of volume in other more traditional markets. Meanwhile, considerable progress is being made in product development.

Full effects of this will not be felt until 1985 when the company will also see the benefit of reduced overheads resulting from the vacation of a surplus property. The directors say they are "alert to take advantage of any opportunity to improve matters."

COMPANY NEWS IN BRIEF

A slightly lower pre-tax loss of £74,000 compared with £77,000 was incurred by Russell Brothers (Paddington), specialist joinery and exhibition contractor, for the half year to August 31 1984.

Turnover rose from £715,000 to £1.15m, and Mr C. N. Phoenix, chairman, says that the trading results are encouraging and appear to be continuing into the second half. He remains confident of the company's future.

The pre-tax figure was struck after an exceptional debit of £120,000 (£31,000).

The directors have made a provision for almost £100,000 in respect of a disputed contract, notwithstanding legal advice that the company's case had considerable merit. The company's lawyers subsequently revised their opinion and advised the company to settle the action upon payment by Russell of £40,000, plus the costs of such an action, and the board has therefore made a further exceptional provision of £120,00.

Stated net losses per 25p share were 5.16p against 10.88p. There was again no interim dividend. The final last year was 0.625p. No tax was paid (£1,000).

* * *

Hercules Incorporated, which has been listed on the New York stock exchange since 1929, has obtained a listing in London. All the 60,218,233 shares of common stock of no par value of Hercules, which are currently issued and reserved for future issue, have been admitted to the Official List.

* * *

Pre-tax profits at C. A. Sperati (The Special Agency) more than trebled from £5,147 to £15,973 in the year to October 31 1984. No dividend is again payable.

Turnover of this button and trimming merchant rose from £485,981 to £504,023. There was a tax charge of £100 compared with a credit of £304. Stated earnings per 50p increased from 5.45p to 15.87p.

In March, it was announced that Mr P. Marsh and Mr J. Alexander had purchased shareholdings in the company which amounted to 59.2 per cent. Kitcat & Aitken then made an offer to acquire all ordinary shares not already owned by them. Acceptances of that offer took the holding of Mr Nash and Mr Alexander to over 63 per cent.

* * *

Net asset value of Charter Trust and Agency was 91.1p per share at November 30, 1984, after deducting prior charges at par, compared with 81.5p a year earlier.

There will be a final dividend of 1.4p against 1.5125p, making a total of 2.15p (adjusted 1.975p) for the year.

Investment income was lower at £2.76m (£3.14m), with other income at £195,000 (£143,000). Management and administrative expenses took £235,000 (£218,00).

After a tax charge of £881,000 (£827,00), earnings were shown as 2.16p (1.99p) per 25p share.

* * *

Net revenue of the Brunner Investment Trust improved from £1.18m to £1.28m in the year ended November 30 1984 and the dividend is lifted from the equivalent of 1.825p to 2p net with a final of 1.1p. Year-end net asset value came out at 86.3p, compared with 78.4p the year before.

Total income was £3.06m (£2.75m) and expenses £1.24m (£867,000). Tax charge was £526,000 (£685,000) and earnings 2p (1.84p) per share.

* * *

Danae Investment Trust is lifting its interim dividend from 1.75p to 1.96p for the half year ended November 30 1984, from earnings of 2.27p (2.19p). At November 30, the net asset value per income share was 52.41p (52.31p) and per capital share 7.82p (0.42p).

Gros income for the half year came to £323,000 (£325,000) and included the subsidiary's profit on dealings £16,000 (£2,000). Tax requires £71,000 (£67,000) to leave the net revenue at £159,000 (£153,000).

* * *

For the six months to end-September 1984, Sheafbank Property Trust made pre-tax profits of £315, compared with £6,704. The directors of this property investor and developer say that the merger of Sheafbank and Gradeland Securities, completed in February 1984, the first half of the current year has been devoted to integrating the companies and reorganising and rationalising management of the group, the property portfolio, and the group's funding.

They add that the foundations for expansion have been laid, and say that they look forward to progressing the group's activities and building a more substantial organisation.

* * *

Net asset value per 25p share of the Bankers' Investment Trust has risen by 169 per cent over the past five years. At the end of the 12 months to October 31 1984 the value was 106.1p compared with 84.8p a year previous.

The final dividend is effectively raised from 0.88p to 1.08p for a total of 2.28p (2.08p). Revenue available for distribution amounted to £1.85m (£1.74m) after tax of £0.95m (£0.93m).

Commenting on the changes at Touche Remnant, in which Bankers' has a 7.6 per cent holding, the directors say they are satisfied with the new management agreement and the subsequent increase in fees.

BIDS AND DEALS IN BRIEF

BAT Industries has announced details of the unsecured loan stock and or short-term loan note alternatives for its £664m bid for Hambro Life Assurance.

The alternatives are: for each Hambro share either 12½ per cent unsecured loan stock 2003-08 to a value of 550p (subject to an overall limit of £190m nominal); or for each Hambro share, loan notes in the principal amount of 550p.

The value of the unsecured loan stock to be issued will be determined by the middle market price of the existing stock on the latest date practicable to the printing of the formal offer document. The loan notes will not be listed.

Heads of agreement have already been signed and both parties anticipate that detailed negotiations will be completed in time to enable the combined operation to start business in the New Year.

* * *

Cattle's (Holdings) has acquired Rydale Finance Holdings, a Yorkshire-based leasing, hire purchase and personal loan concern, for £246,000.

Net tangible assets totalled £178,676 as at July 31 last and pre-tax profits for the 14 months ended on the date, amounted to £103,821.

* * *

Two directors of Health Care Services, Mr Graeme Hart and Mr Peter Dewe-Matthews have purchased a further 10,000 and 50,000 ordinary shares respectively at 23p each.

Mr Hart and Mr Dewe-Matthews now hold about 36.78 per cent and 13.27 per cent respectively of the share capital.

* * *

The Imperial Life Assurance Company of Canada and Brown Shipley and Company are in discussions to integrate the management of their private client investment portfolios.

Brown Shipley will be taking a stake in Laurentian Investment Management, Imperial Life's licensed dealer subsidiary.

* * *

Rosehaugh — The trustees of family settlements established by director Mr G. M. Bradman, disposed of 144,000 ordinary on December 17. London Mercantile Investments holds 670,066 ordinary. It is a wholly-owned subsidiary of London Mercantile Holdings, a company controlled by the trustees of family settlements established by Mr Bradman. Following the disposal the trustees directly hold 372,664 shares.

* * *

The Co-operative Wholesale Society has disposed of its shareholding of 2,406,840 ordinary shares in Baker Perkins. Some 450,000 shares of this holding have been taken up by CWS subsidiary Co-operative Insurance Society and its total holding is now 1,071,560 ordinary shares.

CWS group's interest in the ordinary share capital has thus been reduced to below 5 per cent.

* * *

The offer by Hartons Group for Elson and Robbins has been declared unconditional and remains open until further notice. Hartons now claims 85.1 per cent of the Elson equity, including the acceptances from Francis Sumner which is acting in concert with Hartons.

* * *

Offers by Hardanger for Eyre and Sons have now become unconditional as to acceptances.

Acceptances in relation to 323,801 ordinary of Eyre (95.08 per cent) and 1,011 preference shares (68.03 per cent) have been received.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
3rd qtr.	102.0	96.8	97	108.3	124.0	2,950	160.0
4th qtr.	103.5	98.1	100	110.3	151.4	2,941	162.0
1984							
1st qtr.	102.8	97.4	101	108.5	123.5	2,998	147.0
2nd qtr.	100.7	98.1	104	111.7	130.7	3,026	154.0
3rd qtr.	100.5	99.1	100	112.4	133.8	3,076	165.1
May	100.2	97.6	100	110.7	130.6	3,028	156.0
June	100.7	98.6	103	112.1	130.3	3,038	159.0
July	99.9	98.2	104	111.2	133.9	3,055	164.0
August	100.0	99.4	87	110.9	132.8	3,074	162.0
September	101.5	99.8	110	114.5	134.3	3,096	170.0
October	102.3	99.1		113.2	140.3	3,100	170.5
November				115.4		3,103	167.6

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
3rd qtr.	98.5	92.0	108.5	94.8	105.3	90.5	17.5
4th qtr.	99.0	93.6	110.2	96.4	110.4	93.0	15.9
1984							
1st qtr.	97.5	92.7	110.1	95.4	113.9	89.4	16.5
2nd qtr.	98.9	94.3	104.6	96.7	107.3	90.4	17.8
3rd qtr.	99.2	95.7	103.1	98.4	108.6	90.6	16.3
May	99.0	94.0	104.0	96.0	103.0	91.0	17.5
June	98.0	95.0	105.0	98.0	112.0	90.0	19.4
July	99.0	95.0	103.0	97.0	106.0	90.0	18.3
August	98.0	96.0	103.0	99.0	111.0	90.0	15.5
September	101.0	97.0	104.0	100.0	109.0	93.0	15.0
October	99.0	97.0	106.0	98.0	105.0	90.0	15.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
3rd qtr.	99.2	106.6	−369	+829	+1,485	98.6	17.90
4th qtr.	107.3	112.9	−231	+395	+2,099	97.7	17.82
1984							
1st qtr.	109.5	113.3	−154	+377	+2,316	97.3	16.75
2nd qtr.	108.3	118.3	−1,297	−387	+1,548	96.9	15.51
3rd qtr.	107.4	119.5	−1,652	−902	+1,726	96.8	15.35
May	108.5	115.1	−314	− 10	+512	96.6	15.84
June	112.0	117.5	−137	+166	+656	97.6	15.51
July	102.7	108.9	−198	+ 53	+755	97.0	15.37
August	111.6	123.9	−627	−377	+387	96.7	15.35
September	107.9	125.8	−828	−578	+584	96.8	15.26
October	116.6	133.8	−851	− 73	+388	96.5	15.35
November							15.50

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1983							
3rd qtr.	3.9	8.5	8.4	24.6	2,098	2,650	9.50
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,807	9.00
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,896	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,850	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,785	10.50
May	4.3	28.3	11.4	19.0	482	1,022	9.13
June	6.2	22.7	14.3	20.6	630	919	9.25
July	6.8	11.4	8.4	17.0	608	976	12.00
August	4.6	11.4	7.1	11.0	133	938	10.50
September	4.4	7.8	4.0	2.4	887	871	10.50
October	6.7	18.5	9.6	11.4	1,125	1,006	10.50
November	9.9	27.3	19.0	17.1	363		9.63

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
3rd qtr.	150.9	124.7	125.1	338.0	310.4	288.14	84.9
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	133.5	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.1	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	133.6	132.8	353.9	326.8	288.95	78.0
May	155.7	134.3	132.1	351.0	329.4	312.45	80.0
June	157.5	134.1	132.2	351.9	330.6	305.06	79.4
July	159.6	133.5	132.5	351.5	328.5	289.86	78.4
August	159.2	132.8	132.6	354.8	326.9	294.18	78.4
September	160.0	134.9	133.3	355.5	324.9	288.95	77.2
October	164.1	137.5	134.0	357.7	326.2	292.40	75.6
November		138.7	134.4	358.8	326.6	289.89	75.7

* Not seasonally adjusted.

WORLD STOCK MARKETS

WALL STREET

Response to rate cut dwindles

LITTLE further response emerged on Wall Street yesterday to the half-point cut in the federal discount rate which had spurred the stock market strongly ahead on Christmas Eve, *writes Terry Byland in New York.*

Trading was light, with turnover down to about half of Monday's level and prices treading water around Monday's closing values.

At the close the Dow Jones industrial average was down 1.22 at 1,208.92.

There was some disappointment at the sluggish response on Monday from the bond market to the cut in discount rate to 8 per cent. Prices shed a ½ point or so yesterday, with the institutions largely absent and traders nervous ahead of Friday's announcement of the Commerce Department's index of leading economic indicators.

The Federal Reserve was accommodative towards pressures of the holiday period, announcing $2bn in customer repurchases when federal funds edged up to 8 per cent and then buying bills after the Treasury sale of $6.2bn of four-year notes. A further $24bn in Treasury securities are up for auction over the coming week.

Stock markets in London and most other European centres remained closed yesterday, as did those in Hong Kong, Australia, South Africa and Canada.

The stock market opened with a fall of 2.65 points on the Dow average, which had climbed by 11.16 on Monday, in its first response to the Fed's cut in the discount rate. Some analysts had in fact predicted a cut of a full point.

IBM at $123¾ shed an early $⅜, General Motors traded unchanged at $78 and Ford held at $45¼. Chrysler, which is adding production capacity, gained $¼ to $31¼.

Phillips Petroleum was again to the fore on the active stocks list, rallying $⅜ to $45⅞ after falling by nearly $10 on Monday on news of the plan to restructure the company in order to ward off the bid from the Boone Pickens partnership.

Mesa Petroleum, the Pickens group, added $⅛ to $28⅞ in subdued trading. Mr Pickens and his partners are guaranteed a profit of $89m from the Phillips plan.

The hope of replacing Phillips in Mr Pickens's affection pushed several speculative oil stocks ahead. Unocal added $⅛ to $36⅛ and Sun Oil added a similar amount to $47⅞.

Home computer issues steadied, with Commodore International recovering by $⅜ to $17 after last week's disappointing sales forecast. Retail issues were sluggish, while awaiting details of Christmas trading.

In the credit markets, Treasury bill and money-market rates were narrowly mixed in quiet trading. With most institutions now out of the market until the year-end, bonds lacked support. The key 11¾ per cent bond of 2014 fell $^{19}/_{32}$ to $102^{9}/_{32}$.

TOKYO

Early gains swiftly give way

LATE profit-taking pressure eroded early gains to leave share prices slightly higher in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average of 225 select issues stood more than 47 points above the previous day's close at one point but finished at 11,494.59, up 2.30. The Tokyo Stock Exchange index of all stocks listed on the first section rose 6.00 to 904.99, topping 900 for the first time. Volume swelled to 759.65m shares, from Tuesday's 462.48m.

The rises in the indices reflected the strong performance of financial and large-capital stocks. Declines, however, outnumbered advances by 405 to 339, with 128 issues unchanged.

The market got off to a fast start as investors bought lagging large-capital stocks and financial and incentive-backed issues, hoping for further price gains in the new year. Incentive-backed issues, however, later came under heavy selling pressure, while blue chips were bearish throughout the day.

Kansai Electric Power jumped Y40 to Y1,580, buoyed by a decreasing interest burden because of the fall in interest rates and the expected deregulation of Japan's electric power industry.

Some large-capital chemicals and property issues were traded briskly. Mitsubishi Estate gained Y27 to Y597 and Nippon Yusen Y5 to Y260. Toyo Soda advanced an initial Y13 but closed Y1 lower at Y370.

Financial issues were in the spotlight. Sumitomo Bank added Y100 to a record Y1,840, eclipsing the previous high of Y1,760 set on December 7. Tokio Marine and Fire rose Y28 to Y735, Nomura Securities Y44 to Y899 and Sumitomo Trust and Banking Y60 to Y700.

Some pharmaceuticals moved well. Supported by continued investor interest in biotechnology, Asahi Chemical topped the actives list with 63.8m shares changing hands, rising Y14 to Y714. Yamanouchi and Fujisawa advanced Y140 and Y110 to Y2,480 and Y1,190 respectively.

Small-lot selling sent blue chips lower on a broad front. Matsushita Electric Industrial lost Y10 to Y1,550, Sony Y40 to Y3,550 and Kyocera Y150 to Y6,920.

Bond prices firmed slightly, reflecting active buying by securities companies. The yield on the benchmark 7.3 per cent government bonds, maturing in December 1993, dropped to 6.490 per cent, from Tuesday's 6.525.

EUROPE

THE DOMINANT feature of a firm Paris session yesterday was a resumption of dealings in Creusot-Loire as well as in Schneider, which has been the effective parent of the now-liquidated engineering group.

Their return after an absence of nearly 6½ months was short-lived, though — both were again suspended amid a hefty imbalance of orders. A welter of sell orders hit Creusot-Loire, due to be traded on the forward market until January 24 to allow accounts to be settled. Against a last quotation of FFr 25.50 on June 13, it was indicated at FFr 12.

Schneider, halted the same day at FFr 88.50, drew vigorous buying demand and an indicative quotation of FFr 107.

Overall, an active start died away well before the finish. Good gains remained for issues such as Michelin, FFr 25 ahead at FFr 750, and Radiotechnique, up FFr 9 to FFr 213. Construction stocks were poor, however – SGE-SB fell FFr 5.70 to FFr 42.50 and Bouygues FFr 10 to FFr 680.

Electrical utilities led a cautious Madrid rally. Hidrola and Iberduero added 1.2 and 1.3 points respectively to 78.7 per cent and 83 per cent of nominal value. Banks weakened.

SINGAPORE

MALAYSIAN issues were the prime focus of selective Singapore buying, attributed in part to a reported easing of tensions within the ruling Kuala Lumpur coalition.

By contrast, the dent in the Singapore Government's parliamentary hold made in the weekend elections there had little impact, and quiet trading overall took the Straits Times industrial index 8.66 higher to 816.38.

Malaysian-incorporated issues drew the biggest activity: volume leader Textile Corp jumped 25 cents to S$1.61 and Malayan United Industries 32 cents to S$3.24.

Indices

NEW YORK-DOW JONES

	Dec 26	Dec 24	Dec 21	Dec 20	Dec 19	Dec 18	1984 High	1984 Low	Since Compilation High	Since Compilation Low
Industrials	1,208.38*	1,210.14	1,198.98	1,203.29	1,208.04	1,211.57	1286.64 (6/1)	1086.57 (24/7)	1287.70 (19/11/83)	41.22 (2/7/32)
Transport	553.58*	555.14	550.38	551.71	556.13	554.25	612.63 (9/1)	444.03 (25/7)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	148.49*	147.18	146.80	148.29	148.85	149.93	146.39 (6/11)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
Trading vol	–	–	101.27m	93.22m	139.63m	108.8m	–	–	–	–

	Dec 14	Dec 7	Nov 30	Year Ago (Approx)
Ind Div Yield %	4.99	5.04	4.92	4.54

STANDARD AND POORS

	Dec 26	Dec 24	Dec 21	Dec 20	Dec 19	Dec 18	1984 High	1984 Low	Since Compilation High	Since Compilation Low
Industrials	185.77*	186.15	184.63	185.37	186.15	187.35	191.48 (6/11)	167.74 (24/7)	194.84 (10/10/83)	3.62 (30/6/32)
Composite	166.35*	166.76	165.51	166.38	167.16	168.11	170.41 (6/11)	147.82 (24/7)	172.15 (10/10/83)	4.40 (1/6/32)

	Nov 28	Nov 14	Nov 7	Year Ago (Approx)
Ind div yield %	4.12	4.07	3.95	3.72
Ind. P/E Ratio	10.60	10.58	10.89	14.43
Long Gov Bond Yield	11.37	11.71	11.57	11.49

N.Y.S.E. ALL COMMON

Dec 26	Dec 24	Dec 21	Dec 20	1984 High	1984 Low
96.00*	96.18	95.56	96.00	98.12 (6.11)	85.13 (24/7)

RISES AND FALLS

	Dec 21	Dec 20	Dec 19
Issues traded	2,031	2,042	2,070
Rises	602	621	879
Falls	962	952	764
Unchanged	467	469	427

TORONTO

	Dec 26	Dec 24	Dec 21	Dec 20	1984 High	1984 Low
Metals & Minls	n/a	1,835.8	1,913.8	1,918.1	2524.4 (12/1)	1641.2 (25/7)
Composite	n/a	2,363.8	2,380.5	2,386.2	2585.7 (6/1)	2079.7 (24/7)
MONTREAL Portfolio	n/a	119.71	119.20	119.48	126.83 (10/1)	108.38 (24/7)

* Indicates pre-close figure

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Commodore	2,754,900	18¾	−2	Ford Motor	1,332,200	44⅞	—
ATT	2,300,400	19½	+¼	Mobil	1,044,300	27⅛	+1
Phil Pet	1,887,100	54⅞	−⅛	Scovill	1,012,800	38½	+1
Exxon	1,455,000	43⅞	−⅛	Chrysler	909,400	31	+⅛
IBM	1,367,600	123¾	+1⅛	Comw Ed	883,800	26¾	−1⅛

	Dec. 26	Dec. 21	Dec. 20	Dec. 19	1984 High	1984 Low
AUSTRALIA						
All Ord. (1/1/80)	723.2	719.7	717.7	718.1	787.9 (9/1)	546.8 (18/6)
Metals & Minls. (1/1/80)	409.5	407.9	407.4	406.6	567.4 (3/1)	394.9 (18/12)
AUSTRIA						
Credit Aktien (2/1/62)	59.2	59.2	59.12	59.04	59.2 (21/12)	55.20 (15/8)
BELGIUM						
Belgian SE (31/12 63)	158.29	157.5	157.24	157.84	166.08 (25/10)	135.28 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	166.79	166.79	166.20	166.57	225.21 (20/1)	161.78 (17/10)
FRANCE						
CAC General (31/12/82)	181.4	180.8	181.3	182.5	185.0 (26/10)	155.6 (3/1)
Ind Tendance (30/12/83)	120.8	120.6	121.6	122.0	122.0 (19/12)	99.4 (5/1)
GERMANY						
FAZ Aktien (31/12/58)	376.59	376.59	375.80	375.06	377.44 (4/12)	317.17 (25/7)
Commerzbank (1/12/53)	1093.0	1093.0	1091.1	1089.5	1102.7 (4/12)	917.7 (25/7)
HONG KONG						
Hang Seng Bank (31/7/64)	1206.83	1198.59	1184.42	1173.31	1206.83 (26/12)	746.02 (13/7)
ITALY						
Banca Comm Ital. (1972)	224.95	224.95	224.78	224.67	228.57 (1/2)	192.06 (2/1)
JAPAN**						
Nikkei-Dow (16/5/49)	11492.2	11474.5	11514.1	11558.4	11577.4 (4/12)	9703.35 (23/7)
Tokyo SE New (4/1/68)	901.63	895.73	895.66	897.55	897.55 (19/12)	750.45 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	181.0	181.0	180.7	182.3	182.5 (19/12)	146.8 (25/7)
ANP-CBS Indust (1970)	144.5	144.5	144.6	144.9	147.2 (19/2)	118.7 (18/6)
NORWAY						
Oslo SE (4/1/83)	281.16	281.16	280.21	293.96	296.70 (9/5)	221.87 (4/1)
SINGAPORE						
Straits Times (1966)	816.38	807.72	802.87	796.56	1071.91 (8/2)	785.26 (21/11)
SOUTH AFRICA						
Gold (1958)	—	924.0	911.2	916.7	1099.0 (14/11)	758.1 (24/1)
Industrial (1958)	—	926.8	922.4	925.0	1105.3 (26/5)	853.5 (19/9)
SPAIN						
Madrid SE (30/12/83)	138.92	139.75	140.17	141.16	154.51 (8/10)	102.02 (3/1)
SWEDEN						
Jacobson & P. (1/1/58)	1553.9	1553.9	1556.61	(u)	1594.5 (3/2)	1302.99 (22/11)
SWITZERLAND						
SwissBank Cpn. (31/12/58)	384.7	384.7	385.5	383.1	388.5 (3/1)	354.5 (25/7)
WORLD						
Capital Intl. (1/1/70)	—	185.7	186.3	187.5	190.6 (3/5)	185.2 (14/12)

**Saturday December 22: Japan Nikkei-Dow 11,482.01. TSE 894.32.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. (u) Unavailable.

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LONDON

Monday's chief price changes

RISES

Tr. 13½pc 04-08	£127¾	+6¾
Bonusbond	23	+6
Brown (Matth.)	262	+18
Delta Group	108	+5
Empire Stores	98	+8
Gestetner A	68	+4
Guinness	213	+11
Henders. Admin.	575	+17
Jaguar	235	+8
NatWest Bank	588	+8
Pineapple Dance	90xd	+16½
Royal Bk. Scot.	256	+6

FALLS

Bairstow Eves	69xr	−5
Good Relations	237	−43

Continued on Page 16

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16⅜	AAR	.48	2.7	14	319	18¼	18	18	-¼
30½	9⅛	AGS			9	104	12⅞	12	12⅛	-⅛
22	13½	AMCA	1	7.0		2	14⅛	14⅛	14⅛	-⅛
17⅞	13⅛	AMF	.50	3.6	77	379	14¼	13⅞	13⅞	-¼
41⅛	24¼	AMR			6	864	36⅛	35⅝	35⅞	-¼
20⅜	18¼	AMR	pf2.18	11.		54	19⅜	19¼	19¼	
41½	27½	AMR	pf2.13	5.8		5	37	36½	36½	-⅛
15⅛	3½	APL			3	15	11¼	11⅛	11⅛	-⅛
69¼	44¼	ASA	3	6.0		481	50⅝	50	50	+⅛
30⅜	16	AVX	.32	1.9	10	109	16⅞	16½	16½	-¼
48¼	36¼	AbtLab	1.20	2.9	13	573	42	41⅞	41⅞	+⅛
23⅛	16½	AccoWd	s.44	1.9	19	51	23	22⅞	23	+⅛
27¼	12½	AcmeC	.40	3.1		43	13¼	13	13	-¼
18⅛	15	AdaEx	2.11e	13.		58	16¼	16½	16½	-¼
18⅞	11⅞	AdmMl	.32	2.1	8	6	15½	15⅜	15½	
21½	8⅝	AdvSys	.81t	8.3	16	102	10⅛	9⅝	9¾	-⅛
41⅛	25⅛	AMD			13	893	29⅞	29⅝	29⅝	+⅛
14⅞	6⅞	Advest	.12	1.5		68	8	7⅞	7⅞	-⅛
15⅝	8⅛	Aeflex			9	46	10¼	10	10⅛	
39	27¼	AetnLf	2.64	7.3	30	1292	36¼	36	36¼	
58⅜	52⅞	AetL	pf5.67e	11.		85	54⅝	54¼	54⅝	+⅛
34½	15⅛	Ahmns	1.20	4.7	11	154	25¾	25½	25½	-¼
5⅛	2⅝	Aileen				85	2⅞	2⅞	2⅞	
48⅛	36½	AirPrd	1.20	2.6	10	123	47¼	46⅞	46⅞	-⅛
30½	13	AirbFrt	.60	3.3	10	33	18½	18¼	18¼	-¼
4⅛	1⅞	AlaMoa	.50e	13.		153	4	3⅞	4	
7¼	6	AlaP	dpf.87	12.		4	7	6⅞	7	
71	61½	AlaP	pf 9	13.		z150	69	68½	69	+½
74	63½	AlaP	pf9.44	13.		z10	72	72	72	-1
64½	56	AlaP	pf8.28	13.		z430	62½	61½	61½	-¼
13⅞	10⅛	Alagsc	s.92	7.2	8	4	12⅞	12⅞	12⅞	-⅛
17¼	9⅛	AlskAir	.14	.9	9	73	15¼	15	15¼	
22⅝	15⅛	Alberto	.54	2.5	18	8	21⅞	21⅞	21⅞	
28½	22½	Albtsns	.68	2.4	12	6	28⅝	28½	28⅝	
41¼	23½	Alcan	1.20	4.2	10	84	28½	28⅛	28½	
36⅞	27⅛	AlcoStd	1.20	4.0	11	171	30¼	29⅞	30	+⅛
25⅝	17	AlexAlx	1	4.4		304	22⅝	22¼	22¼	+¼
28½	16	Alexdr			24	100	21⅞	21⅞	21½	+⅛
87⅛	62⅞	AllgCp	1.08b	1.4	8	6	76½	76¼	76½	+½
26⅞	23	AlgCp	pf2.86	11.		6	25½	25⅛	25⅛	
34	18¼	AlgInt	1.40	6.4	23	120	22	21⅝	22	+¼
22⅞	15¼	AlgIn	pf2.19	12.		9	17¼	17⅛	17⅛	+⅛
93½	81	AlgI	pfC11.25	13.		z2	88½	88½	88½	+¼
30	24⅝	AllgPw	2.70	9.3	8	196	29⅛	29	29⅛	-⅛
28	15⅞	AllenG	.60b	3.6	10	41	16⅝	16⅝	16⅝	
37½	28¼	AldCp	s1.80	5.3	8	534	34¼	34½	34¼	-⅛
64⅝	53⅞	AldCp	pf6.74	11.		17	60¼	60	60¼	+⅛
113½	99	AldCp	pf 12	12.		3	104½	104⅛	104⅛	+⅛
107½	100⅞	AldC	pf12.49e	12.		2	102⅛	102⅛	102⅛	-⅛
23½	8⅛	AldPd			6	24	20⅛	19⅞	19⅞	+⅛
55½	38	AldStr	2	4.0	8	1359	50½	49⅞	49⅞	-½
17⅞	5⅛	AllisCh				295	5⅞	5⅝	5⅞	+¼
40	24	AlsC	pf			16	25⅞	25¼	25⅞	+¼
25⅞	20	ALLTL	1.84	7.6	8	18	24⅛	24⅛	24⅛	-⅛
27	20¼	AlphPr	.40e	1.9	17	2	20¼	20¼	20¼	
48⅞	30⅞	Alcoa	1.20	3.3	9	802	37	36½	36⅞	-⅛
27¼	15⅞	Amax	.20	1.3		791	16	15¾	16	+⅛
43⅞	32½	Amax	pf 3	9.1		12	33⅛	33	33	
34⅛	22⅞	AmHes	1.10	4.5	9	942	24⅞	24⅝	24⅞	
3	1⅛	AmAgr				270	2	1⅞	1⅞	-⅛
19	13⅞	ABakr			10	8	17⅞	17¼	17¼	
65⅛	52⅞	ABrand	3.75	5.9	9	144	63⅝	62⅞	63¼	-½
28½	24⅛	ABrd	pf2.75	11.		5	26	25⅞	25⅞	-⅛

Continued on Page 15

هكذا من الأصل

هكذا من الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 16

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 14

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

GERMANY

Dec. 21	Price Dm.	+ or —
AEG-Telef.	103.1	—0.4
Allianz Vers	970	+5
BASF	182.3	+2.1
Bayer	190	+1
Bayer-Hypo	330	+6
Bayer-Verein	334	+6
BHF-Bank	274.5	—1
BMW	373.8	+6.8
Brown Boveri	201.5	+2
Commerzbank	169.5	+0.9
Cont'l. Gummi	116.5	+1
Daimler-Benz	583	+5
Degussa	344	+1.5
D'sche Babcock	149	+1
Deutsche Bank	383	....
Dresdner Bank	190.7	—0.2
GHH	157	+2.5
Hochtief	495	....
Hoechst	187.1	+0.7
Hoesch Werke	98	+1
Holzmann (P)	379	—2.5
Horten	182	+2.0
Hussel	286.0	+6.5
Karstadt	242	+2.5
Kaufhof	221	+1
KHD	253	+0.5
Kloeckner	69.5	—0.2
Linde	389	—1
Lufthansa	180.5	+1.5
MAN	145.5	—1.5
Mannesmann	147.3	+1.3
Mercedes Hld	499	+2
Metallgesell	216.9	+2.9
Munech Rueck	1075	+10
Nixdorf	518.3	+0.8
Porsche	*1,016*	—1
Preussag	252	+1
Rhein West Elect	165	+0.5
Rosenthal	249	+1
Schering	448	+10.5
Siemens	469.6	+4.6
Thyssen	81.5	+0.5
Varta	173.5	—1.3
Veba	171.9	+0.4
V.E.W.	122.6	+0.1
Verein-West.	296	+1
Volkswagen	202.5	+0.5

ITALY

Dec. 21	Price Lira	+ or —
Banca Com'le	16,040	+100
Bastogi-IRBS	150	+3
Centrale	2,204	+5
Credito Varesino	3,790	+10
Fiat	2,045	—5
Finsider	45.25	......
Generali Assicur.	33,470	—30
Invest	2,925	......
Italcementi	*66,550*	+150
La Rinascenti	530	+5
Montedison	1,390	—10
Olivetti	5,885	+60
Pirelli Co.	3,451	—19
Pirelli Spa	1,920	+20
Snia BPD	2,110	+9
Toro Assic.	12,290	—5
do. Pref	9,250	+50

NETHERLANDS

Dec. 21	Price Fls	+ or —
ACF Holding	187.8	+2.8
AEGON	146.5	+0.5
Ahold	185.0	—0.8
AKZO	99	+0.3
ABN	363	—4.5
AMEV	201.5	+0.5
AMRO	64.3	+0.2
Bredero Cert.	148	—4
Bos Kalis Westm.	11.6	—2.4
Buehrmann-Tet	73.2	—0.1
Calland Hldgs	33	+0.4
Dordtsche Pet'm	155.7	+0.3
Elsevier-NDU	113.5	—3.8
Fokker	83.3	+0.1
Gist Brocades	171.8	+1.5
Heineken	145.8	+0.6
Hoogovens	63.5	—0.1
Int Mueller	40.7	+0.7
KLM	45.3xc	—0.5
Naarden	46.5	+0.5
Nat Ned Cert	246.6	—0.2
Ned Mid Bank	146.5	......
Nedlloyd	160	—1
Oce Grinten	280	—0.5
Ommeren (Van)	28.9	+1.1
Pakhoed	68.9	+1.9
Philips	55	—0.1
Robeco	69.5	+0.7
Rodamco	136.2	+0.1
Rolinco	63	+0.5
Rorento	43.7	—0.1
Royal Dutch	169	+7
Unilever	305.5	......
VMF Stork	139.5	—1.5
VNU	202.5	—2
West Utr Bank	120	—1.5

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

AUSTRIA

Dec. 21	Price Sch%	+ or —
Creditanstalt	227	......
Goesse	330	+2
Interunfall	400	......
Laenderbank	328	+1
Perlmooser	360	+3
Steyr-Daimler	166	—1
Veitscher Mag.	248	+3

BELGIUM/LUXEMBOURG

Dec. 24	Price Frs.	+ or —
B.B.L.	1,900	+15
Banq. Int. A. Lux	5,500	......
Bekaert B	4,600	......
Ciment CBR	2,500	......
Cockerill	272	—3
Delhaize	6,500	+30
EBES	2,860	......
Electrobel	6,250	—50
Fabrique Nat	1,985	—65
GB Inno BM	3,235	+20
GBL (Brux)	2,100	+80
Gevaert	3,500	—10
Hoboken	6,110	......
Intercom	2,150	+20
Kredietbank	7,700	+100
Pan Hldgs.	9,750	......
Petrofina	6,860	+60
Royale Belge	10,050	......
Soc. Gen. Banq	3,500	+55
Soc. Gen. Belge	1,780	—65
Sofina	7,620	......
Solvay	4,140	—35
Stanwick Intl.	1,440	......
Tractionel	3,970	—90
UCB	5,000	—40
Wagon Lits	2,460	+6

DENMARK

Dec. 21	Price Knr %	+ or —
Andelsbanken	282	+3
Baltic Skand	555	......
CopHandelsbank	284	+3
D. Sukkerfab	510	+5
Danske Bank	284	+3
De Danske Luft	1,175	+70
East Asiatic	153	+2
Forenede Brygg	770	......
Forenede Damp	97	+2
GNT Hldg	370	......
I.S.S.B.	372	......
Jyske Bank	515	+17
Novo Ind	1,320	......
Privatbanken	243	+3
Provinsbanken	343	—1
Smidth (F)	229	+2
Sophus Berend	920	+5
Superfos	419	+3

FRANCE

Dec. 26	Price Frs.	+ or —
Emprunt 4½% 1973	1,636	—10
Emprunt 7% 1973	8,167	......
Accor	239	—0.8
Air Liquide	574	+4
BIC	500	+10
Bongrain	1,692	+2
Bouygues	680	—10
BSN Gervais	2,350	—25
CIT-Alcatel	1,289	—1
Carrefour	1,800	+22
Club Mediter'n	1,039	—1
Cie Bancaire	663	—13
Cofimeg	241	—0.1
Damart	2,170	......
Darty	1,090	—22
Dumez S.A.	670	......
Eaux (Cie Gen)	531	......
Elf-Aquitaine	216	+1
Essilor	2,820	—30
Gen. Occidentale	655	—4
Imetal	72.1	—2.7
Lafarge Coppee	365	—4
L'Oreal	2,250	+50
Legrand	1,845	—3
Maisons Phenix	191	+1
Matra S.A.	1,745	+5
Michelin B	750	+25
Midi (Cie)	2,175	+25
Moet-Hennessy	1,890	+15
Moulinex	89	—0.8
Nord Est.	77.4	+1
Pernod Ricard	710	+4
Perrier	490	+1
Petroles Fra.	346	+3
Peugeot S.A.	246	+1.9
Printemp.Aus	185.5	—1.7
Radiotech	213	+9
Redoute	1,195	—16
Rousul-Uclaf	1,649	—21
Sefimeg	288	—1
SkisRossignol	1,780	+40
Telemech Elect	2,250	+50
Thomson CSF	402	+1
Valeo	231	......

NORWAY

Dec. 21	Price Kroner	+ or —
Bergens Bank	158	—1.9
Borregaard	326	+8.5
Christiania Bank	154	—3
DenNorske Cred	163	—3.5
Elkem	108.5	—2.5
Kvaerner	173	+2
Norsk Data	377	—2.5
Norsk Hydro	96.5xA	......
Storebrand	217.5	+5

SPAIN

Dec. 26	Price Pta%	+ or —
Bco Bilbao	314	......
Bco Central	311	—1
Bco Exterior	200	—5
Bco Hispano	171	—5
Bco Popular	362	—2
Bco Santander	323	—2
Dragados	155	......
Hidrola	78.7	+1.2
Iberduero	83	+1.3
Petroleos	141	—3
Telefonica	92.5	......

SWEDEN

Dec. 21	Price Kronor	+ or —
AGA	365	......
Alfa-Laval	195	......
ASEA (Free)	320	—10
Astra (Free)	320	......
Atlas Copco	95	—2
Cardo (Free)	252	+7
Cellulosa	180	......
Electrolux B	240	—2
Ericsson	254	+2
Esselte	325	+5
Mo Och Domsjo	267	+5
Pharmacia	186	......
Saab Scania Free	445	—6
Sandvik	325	—6
Skandia	280	......
Skan Enski'da	52	......
SKF	168	......
St Kopparbergs	150	......
Sven Handlesbn.	188	+1
Swedish Match	256	—1
Volvo B (Free)	215	—3

SWITZERLAND

Dec. 21	Price Frs.	+ or —
Alusuisse	730	......
Bank Leu	3,700	—25
Brown Boveri	1,370	—20
Ciba Geigy	2,480	+30
do. (Part Certs)	2,020	+30
Credit Suisse	2,325	+5
Elektrowatt	2,615	—5
Fischer (Geo.)	605	+5
Hoff-RochePtCts	85,625	—875
Hoff-Roche 1/10	8,575	—75
Jacobs Suchard	6,350	+25
Jelmoli	1,920	......
Landis & Gyr	1,540	—10
Nestle	5,570	+20
Oer-Buehrle	1,280	—16
Pirelli	253	+1
Sandoz (Br)	6,975	+50
Sandoz (PtCts)	1,110	+7
Schindler (PtCts)	635	......
Sika	1,000	+20
Surveillance	3,800	+55
Swissair	1,050	+20
Swiss Bank	357	+1
Swiss Reinsce	8,350	+25
Swiss Volksbk	1,465	—5
Union Bank	3,580	+5
Winterthur	3,310	+10
Zurich Ins	18,050	......

AUSTRALIA

Dec. 24	Price Aust $.	+ or —
ANZ Group	5.1	+0.02
Alliance Oil Dev	1.05	......
Ampol Pet	1.75	......
Ashton	0.83	+0.02
Aust Cons Ind.	1.9	+0.04
Aust. Guarantee	2.65	+0.05
Aust. Nat. Inds	2.45	+0.02
Aust. Paper	2.15	—0.01
Bell Group	4.5	......
Bell Res	4.15	+0.1
Bond Corp Hldgs	1.17	+0.02
Boral	3.2	+0.02
Bougainville	1.68	—0.02
Brambles Inds	3.55	......
Bridge Oil	2.3	+0.1
B.H. Prop	4.92	—0.06
CRA	4.98	+0.02
CSR	2.79	+0.01
Carlton Utd	4.30	......
Castlemaine Tys.	4.25	......
Coles (G.J.)	3.9	......
Comalco "A"	2.08	—0.02
Consolidated Pet	0.56	+0.01
Costain Aust	1.4	......
Dunlop Aust.	1.85	......
Elders IXL	3.1xc	+0.05
Energ Res.	1.44	+0.04

AUSTRALIA (continued)

Dec. 24	Price Aust. $	+ or —
Gen P.op Trust	2.15	—0.03
Hardie (James)	3	......
Hartogen Energy	2.4	......
Herald W'yTimes	3.4	......
ICI Aust	2.05	......
Jimberlana F.P.	0.5	......
Kia Ora Gold	0.11	......
Land Lease	5.22	......
MIM	2.52	—0.02
Mayne Nickless	2.9	......
Myer Emporium	1.65	—0.03
Nat. Aust. Bank	3.5	......
News	10.3	+0.2
Nicholas Kiwi	3.18	......
North Bkn Hill	2.02	+0.02
Oakbridge	0.65	+0.02
Pancont'l	0.07	......
Pioneer Conc	1.55	+0.02
Poseidon	2.75	+0.25
Queensland Coal	1.07	......
Reckitt & Coln	3.08	......
Repco	1.13	......
Santos	5.06	+0.06
Smith (Howard)	3.4	......
Thos. Nationwide	1.72	......
Tooth	5.8	......
Vamgas	3.1	—0.05
Western Mining	2.83	+0.05
Westpac Bank	3.66	+0.02
Woodside Petrol	0.95	—0.01
Woolworths	2.5	......
Wormald Intl	3.1	+0.04

HONG KONG

Dec. 24	Price H.K.$	+ or —
Bank East Asia	23.5	+0.5
Cheung Kong	10.9	+0.3
China Light	12.5	+0.3
Evergo	1.64	......
Hang Seng Bank	42.5	+0.25
HK Electric	6.7	+0.1
HK Kowloon Wh	5.15	—0.05
HK Land	3.6	—0.12
HK Shanghai Bk	7.95	+0.15
HK Telephone	48.5	......
Hutchison Wpa	18.3	+0.1
Jardine Math	8.05	—0.05
New World Dev	3.15	......
Orient O'seas	2.75	......
Oseas Trust Bk	2.57	+0.05
SHK Props	7.65	......
Shell Elect	1.96	......
Swire Pac A	21.3	+0.1
TV—B	[illegible]	—0.15
Wheel'k Mard A	3.95	......
Wheel'k M'time	1.13	......
World Int. Hldgs	1.8	+0.03

JAPAN

Dec. 26	Price Yen	+ or —
Ajinomoto	1,070	—20
Alps Electric	1,910	—40
Amada	1,100	—50
Asahi Chem	714	+14
Asahi Glass	815	......
Bridgestone	535	—5
Canon	1,390	......
Casio Comp	1,770	—30
Chugai Pharm	1,250	—60
Citizen	589	—2
Daiei	622	......
Dai Nippon Ptg	976	—1
Daiwa House	510	+10
Ebara	331	......
Eisai	1,290	—50
Fanuc	11,000	—250
Fuji Bank	1,560	+60
Fuji Film	1,640	......
Fujisawa	1,190	+110
Fujitsu	1,320	—30
Green Cross	1,050	......
Hasegawa	375	—2
Heiwa Real Est	510	+5
Hitachi	870	—3
Hitachi Credit	1,150	+20
Honda	1,240	+10
House Food	687	+7
Hoya	2,150	—70
Itoh (C)	330	+11
Ito. Yokado	1,530	+10
Iwatsu	2,360	—30
JACCS	335	—3
JAL	6,250	—10
Jusco	725	—5
Kajima	290	......
Kao Soap	798	—7
Kashiyama	825	+4
Kirin	550	—13
Kokuyo	[illegible]	+5
Komatsu	473	+3
Konishiroku	587	—1
Kubota	321	......
Kumagai	555	+28
Kyoto Ceramic	6,900	—150
Maeda Const	488	......
Makino Milling	[illegible]	......
Makita	1,040	—20
Marubeni	[illegible]	+12
Marudai	550	+5
Marui	1,600	—20
MEI	1,240	—10
M'ta Elec Works	[illegible]	—14
M'bishi Bank	1,260	+30
M'bishi Corp	553	+12
M'bishi Elec	410	+1
M'bishi Estate	597	+27

JAPAN (continued)

Dec. 26	Price Yen	+ or —
MHI	265	—7
Mitsui Co	352	+12
Mitsui Estate	718	—8
Mitsukoshi	370	+5
NGK Insulators	965	+12
Nihon Cement	215	+9
Nippon Denso	1,340	—70
Nippon Elect	1,230	......
Nippon Express	367	—1
Nippon Gakki	1,320	—70
Nippon Kokan	145	......
Nippon Oil	858	—1
Nippon Seiko	660	+6
Nippon Shimpan	610	......
Nippon Steel	158	—4
Nippon Suisan	330	......
NTV	12,800	—80
Nippon Yusen	260	+5
Nissan Motor	620	—5
Nisshin Flour	472	......
Nisshin Steel	186	—2
Nomura	899	+44
Olympus	1,110	—20
Orient Leasing	3,360	......
Pioneer	2,690	—10
Renown	640	—11
Ricoh	945	......
Sankyo	949	+30
Sanyo Elect	458	—7
Sapporo	383	—9
Sekisui Prefab	579	+1
Seven-Eleven	8,980	—20
Sharp	1,070	+10
Shimadzu	828	—22
Shionogi	694	+9
Shiseido	1,110	+40
Sony	3,550	—40
Stanley	840	—36
S'tomo Bank	1,840	+100
S'tomo Elect	936	—14
S'tomo Marine	665	+26
S'tomo Metal	158	—3
Taihei Dengyo	525	+11
Taisei Corp	207	—1
Taisho Pharm	965	—15
Takeda	739	+30
TDK	5,150	—20
Teijin	416	+1
Teikoku	660	—10
Tokyo Marine	735	+28
TBS	865	+15
Tokyo Elect Pwr	1,800	—30
Tokyo Gas	181	—4
Tokyo Sanyo	704	—7
Tokyo Style	750	....
Tokyu Corp	328	—2
Toppan Print	870	+5
Toray	429	+6
Toshiba Elect	420	—3
TOTO	682	+17
Toyo Seikan	816	—4
Toyota Motor	1,250	—20
Victor	1,880	—70
Wacoal	745	+10
Yamaha	722	—18
Yamanouchi	2,480	+140
Yamazaki	649	—46
Yasuda Fire	373	+10
Yokogawa Bdge.	470	+10

SINGAPORE

Dec. 21	Price $	+ or —
Boustead Hldgs.	*1.84*	*+0.01*
Cold Storage	2.56	+0.01
DBS	5.75xa	....
Genting	4.9	+0.02
Haw Par. Bros.	2.08	+0.01
Hong Leong Fin	3.16	+0.06
Inchcape Bhd.	2.48	+0.03
Keppel Shipyard	1.55	....
Malay Banking	6.65	......
Malay Utd. Ind	2.49	+0.02
Multi Purpose	1	+0.06
OCBC	8.9	—0.05
OUB	3.8	—0.02
Public Bank	1.74	—0.01
Sime Darby	1.78	......
Singapore Press	6.15	+0.05
Straits Trdg.	4.62	....
Tat Lee Bk	2.93	+0.03
UOB	4.24	—0.02

SOUTH AFRICA

Dec 21	Price Rand	+ or —
Abercom	1.3	....
AE&CI	7.7	....
Anglo Am Coal	39.5	....
Anglo Am Corp	21.8	......
Anglo Am Gold	161	+1.5
Barclays Bank	16.5	......
Barlow Rand	10.4	+0.05
Buffels	66	+1
CNA Gallo	2.5	......
Currie Finance	4.4	......
De Beers	8.22	+0.02
Driefontein	48	+0.5
FS Geduld	43.5	—0.5
Gold Fields SA	26	....
Highveld Steel	3.6	+0.1
Nedbank	11.8	+0.1
OK Bazaars	15	......
Protea Hldns	1.5	......
Rembrandt	29	+0.25
Rennies	14.25	......
Rust Plat	15	+0.25
Sage Hldgs	7.35	+0.05
SA Brews	6.9	+0.05
Smith (CG)	21.75	....
Tongaat Hulett	7.1	....
Unisec	5.1	+0.1

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 15

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

OVER-THE-COUNTER Nasdaq national market, 2.30pm prices

Continued from Page 13

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec 10	Dec 20	Dec 21	Jan 7
Dec 24	Jan 10	Jan 11	Jan 21
Jan 14	Jan 24	Jan 25	Feb 4

* "New-time" dealings may take place from 9.30 am two business days earlier.

Markets begin extended trading Account in confident mood

The shortened pre-Christmas session, the first of a three-week trading Account on the London Stock Exchange, was well-attended on Monday. Trade was relatively active from the opening with investors showing a renewed enthusiasm for leading equities and for the advance guard of New Year Press tips. Government securities were not neglected and some gilt brokers were surprised by the volume of small buying orders.

Sentiment in the latter area was given a much-needed prop by the weekend news of a cut to 8 per cent in the key Federal Reserve Discount rate. The move was not entirely unexpected but it still generated a better feeling about interest rates both here and in America. Selected longer-dated gilts moved up ⅜ and the shorts managed gains extending to 3/16, but index-linked issues were overlooked.

Leading industrial shares achieved improvements of only a penny or two but, after the previous two-day setback which brought the FT Ordinary share index back over 18 points from its all-time high of 942.6, the tone reassured traders. The index closed 1.7 up at 926.0 with dealings ceasing at midday. Shares recommended in the weekend Press columns often made larger gains, along with some situation stocks.

The major clearing banks edged higher under the lead of NatWest, 8 up at 588p. Lloyds improved 4 to 522p and Barclays hardened 3 to 557p. Royal Bank of Scotland attracted fresh support on suggestions that Lloyds Bank may be prepared to sell its 21.34 per cent stake and the close was 6 up at 256p.

Among recently-issued equities, Candover Investments moved up 8 to 188p. USM-quoted Craton Lodge firmed 6 to 193p.

Seasonal cheer among Breweries proved to be of a selective nature. The leaders traded quietly and showed little alteration with the noteworthy exception of Arthur Guinness which spurted 11 to a 1984 peak of 213p following the £11.9m acquisition of Neighbourhood Stores. Regionals featured fresh speculation in Blackburn-based Matthew Brown which advanced 18 to 262p as weekend Press mention stimulated renewed talk of a bid from Scottish and Newcastle.

Building issues attracted occasional buying interest. BPB Industries, 280p, and Redland, 295p, both improved a couple of pence. Housebuilders William Leech added 2½ to 127p xd, while timber concern John Carr hardened 2 to 65p.

ICI settled a couple of pence off at 740p, but other Chemicals continued to improve. Coalite attracted fresh support and hardened 2 to 228p, while Coates Brothers A put on 6 to 146p. Ellis and Everard firmed 4 to 218p and Hickson International rose 5 to a 1984 peak of 455p in restricted markets.

Secondary Stores attracted occasional support. Dixons responded with a rise of 6 to 564p, while Mail-orders highlighted Empire, 8 dearer at 98p. Multiple shoe retailers J. W. Wassall met fresh demand and firmed 5 more to 63p.

Engineerings rarely strayed from their previous closing levels, although Delta encountered further sporadic demand and put on 5 at 198p. United Spring were noteworthy among smaller priced issues with a rise of 1½ to 18½p.

Thorn EMI edged up 4 to 444p among the Electrical leaders. Elsewhere, Telephone Rentals, a recent speculative favourite, hardened 3 to 203p, while occasional support left VG Instruments 4 up at 248p.

Seasonal considerations directed selective support towards Food Retailers. Associated Dairies hardened a couple of pence to 154p, as did Argyll, to 265p. Buying in a market short of stock lifted Hillards 6 to 326p.

Among the occasional movements in the miscellaneous industrial sector, Gestetner A firmed 4 to 68p on enfranchisement hopes. Bath and Portland, awaiting further bid developments, hardened a like amount to 281p, while revived takeover hopes lifted Plastic Constructions a couple of pence to 50p. Further profit-taking prompted a reaction of 5 to 670p in Smiths Industries, but Beatson Clark improved 4 to 141p in response to favourable Press mention. MJI rallied 1½ to 10½p after recent weakness on the poor interim figures. LCP were quoted ex the rights issue at 100p, with the new nil-paid shares at 19p premium. Hanson Trust edged up a couple of pence further to 312p, which makes its offer for Powell Duffryn, 3 dearer at 423p, worth 416p.

The Leisure sector displayed several noteworthy movements. Pineapple Dance Studios attracted speculative support and gained 16½ to 90p xd, while Intasun, which recently pulled out of the bidding for Comfort Hotels, rose 4 to 127p xd. Medminster were a firm counter at 132p, up 5. Recently dull Aspinall Holdings rallied 4 to 108p on second thoughts about the annual results.

Movements among Motors generally favoured holders. Jaguar, buoyant of late on U.S. support, improved 8 more to a new high of 235p, while Reliant Motor attracted renewed speculative demand and hardened a couple of pence to 49p. Among Components, AE were wanted at 104p, up 2½. Elsewhere, a Press mention lifted Harold Perry 2 to 90p.

P.R. concern Good Relations provided the biggest shock in the short session, slumping 43 to 237p, after 228p, in reaction to adverse Press comment concerning the corporate structure reorganisation.

In the Property sector, USM-quoted London and Manchester Securities shed 1½ to 9p following the share-exchange offer from Amalgamated Estates, a fraction cheaper at 5p. Bairstow Eves were quoted ex rights and shed 5 to 69p; the new nil paid shares opened at 8p premium and fell to 5p premium prior to closing at 6p premium.

Financials provided a couple of bright spots. Henderson Administration rose 17 more to 575p, still reflecting the sale of its 50 per cent interest in Far Eastern venture Henderson Baring Management to partners Baring Brothers. Bonusbond improved 6 to 23p after favourable comment, while perennial takeover favourite Britannia Arrow hardened a couple of pence to 86p.

Leading Oils were virtually untraded and business in the sector was generally confined to the more volatile speculative issues. Ireland's Oliver Prospecting added 10 at 185p while Canada's International Petroleum moved up 5 to 145p and Warrier Resources 3 to 53p. Recent speculative favourite Falcon Resources improved 7 to 195p.

Golds up again

Bullion retained last Friday's firmer tone and mining markets were marked higher, although the continuing recovery trend was largely technical. South African Golds posted useful gains throughout the list, with heavyweights featured by Vaal Reefs and Driefontein, up ⅞ apiece at £72⅞ and £21⅞ respectively.

Cheaper priced issues showed Blyvoor 40 to the good at 702p and Loraine 22 up at 277p.

The Gold Mines index rose 8.6 to 477.7, while the bullion price improved a further $2.625 to $313.5 an ounce.

Financials mirrored the performance of Golds and gained ground where changed. Australians edged higher; in the leaders Western Mining put on 3 to 200p. Among the more speculative issues favourable Press comment attracted buyers towards Samantha which hardened a couple of pence to a 1984 high of 47p.

The short session in Traded Options was notable for persistent support of Jaguar which attracted 477 calls; the March 220's accounted for 186 and rose 4 to 18p, while the June 180's attracted 200 trades and firmed 6 to 59p. Put trading featured Marks and Spencer which recorded 153 trades, 100 of which were done in the April 120's. Total contracts struck amounted to 1,349 — 1,036 calls and 313 puts.

FINANCIAL TIMES STOCK INDICES

	Dec. 24	Dec. 21	Dec. 20	Dec. 19	Dec. 18	Dec. 17	Year ago
Government Secs.	82.09	81.96	81.88	82.05	82.26	82.30	83.37
Fixed Interest	85.61	85.56	85.49	85.65	85.78	85.79	86.55
Ordinary	926.0	924.3	930.3	942.6	939.9	938.3	775.6
Gold Mines	477.7	469.1	464.5	476.2	452.2	467.7	594.0
Ord. Div. Yield	4.63	4.65	4.61	4.56	4.58	4.59	4.58
Earnings, Yld.% (full)	11.68	11.65	11.72	11.58	11.63	11.63	9.36
P/E Ratio (net) (*)	10.16	10.19	10.24	10.35	10.32	10.32	13.05
Total bargains (Est.)	—	19,618	25,222	24,343	26,711	27,343	16,804
Equity turnover £m.	—	474.75	480.74	437.28	384.86	434.77	112.65
Equity bargains	—	25,421	25,859	25,447	26,406	22,840	10,505
Shares traded (ml)	—	238.5	221.6	208.3	199.6	237.4	80.7

10 am 924.5. 11 am 924.5. Noon 925.0. 1 pm —. 2 pm —. 3 pm —.

Basis 100 Govt. Secs. 15/1/28. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=9.82.

HIGHS AND LOWS / S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (8/1)	75.73 (30/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/5)	80.43 (30/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	942.6 (17/12)	755.3 (25/7)	942.6 (17/12/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/5)	452.2 (18/12)	734.7 (15/2/83)	43.5 (26/10/71)

	Dec. 21	Dec. 20
Daily Gilt Edged Bargains	119.0	133.9
Equities Bargains / Value	151.7 / 959.6	167.5 / 971.7
5-day Average Gilt Edged Bargains	132.3	136.0
Equities Bargains / Value	178.6 / 894.6	187.2 / 879.1

RECENT ISSUES

ACTIVE STOCKS

Above average activity was noted in the following stocks Monday.

Stock	Closing price	Day's change
Barclays Bank	557	+ 3
Brown (Matthew)	262	+18
Falcon Resources	195	+ 7
Gestetner A	68	+ 4
Good Relations	237	−43
Guinness (A.)	213	+11
Hanson Trust	312	+ 2
Jaguar	235	+ 8
NatWest Bank	588	+ 8
Pineapple Dance	90xd	+16½
Powell Duffryn	423	+ 3
Royal Bank Scotland	256	+ 6

LAST FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Last Fri's. close	Day's change
Bailey (C. H.)	21	24½	+ 4½
Polly Peck	21	222	+ 5
Hanson Trust	20	310	+ 6
STC	18	286	+ 6
Reckitt & Col.	17	562	−21
Rowntree Mac.	16	372	− 6
Ultramar	16	200	− 5
Dixons Group	15	558	−14
Bifoil	14	197	− 3
Burmah Oil	14	216	− 2
Mercantile Hse	14	318	+14
Minet	14	243	−12
Pentland Inds.	14	295	+27
Thorn EMI	13	440	−12

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 17	Jan 4	Mar 21	Apr 1
Jan 7	Jan 18	Apr 11	Apr 22
Jan 21	Feb 1	Apr 25	May 7

For rate indications see end of Share Information Service

Money was given for the call of Oliver Propecting, Bristol Oil and Minerals, C. H. Bailey, Charterhall, BSG International, Barratt Developments, Intervision, Whessoe, Eglinton Oil and Gas, Thomas Borthwick, Thorn EMI, Brengreen, Bula, and Petranol. No puts were reported, but doubles were struck in Whessoe and C. H. Bailey.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (53)

AMERICANS (2): Amdahl, Rohr Inds.
BANKS (2): Royal Bk. Scotland, Moorgate Mercantile
BREWERS (2): Brown (Matthew), Guinness (Arthur)
BUILDINGS (1): Tilbury Group
CHEMICALS (5): Coalite, Hickson Internatl., Coates Bros. A, Ellis & Everard
STORES (3): Bentalls, Wassall (J. W.), Empire Stores
ELECTRICALS (4): Microlease, Northamber, United Leasing
ENGINEERING (4): Carclo 3½pc Cnv., Weir Group 10pc Cnv. Prf., Delta Group, Neill (James)
FOODS (1): Hillards
INDUSTRIALS (7): BBA Group, Hanson Trust, British Syphon, Do. 5½pc Cnv. Uns. Ln. 2001-06, China Light, Hutchison Whampoa, Eastern Produce
LEISURE (1): Medminster
MOTORS (2): Jaguar, Reliant Motor
PAPER (1): Bond
TEXTILES (1): Coats Patons
TRUSTS (12): Archimedes Cap., River & Mercantile, Danae (Inc.), TR Pacific Basin, English & N.Y. Tst., Barrie Inv. & Fin., Gresham House, Duncan (W.) G'dricke, Law Debenture, Henderson Admin., Lowland Inv., Ivory & Sime
PLANTATIONS (3): Lawrie Group, Plantation Genl. Invs., McLeod Russel
MINES (2): Gold & Base, Samantha Explrtn.

NEW LOWS (7)

AMERICANS (1): Amax
ENGINEERING (1): Linread
INDUSTRIALS (1): Vinten
OILS (3): Chevron Corp, Sovereign Oil, Ranger Oil
MINES (1): Indian Ocean Res. '82

RISES AND FALLS MONDAY

	Rises	Falls	Same
British Funds	78	5	21
Corpns. Dom. and Foreign Bonds	11	3	59
Industrials	233	136	1,061
Fin. and Props.	79	58	408
Oils	15	12	101
Plantations	4	1	12
Mines	61	18	98
Others	38	79	100
Totals	519	312	1,860

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
††	F.P.	12/12	110	108	‡†AberdeenAmPet £1	108	−2	—	—	—	—
¶160	F.P.	11/1	200	164	✣Access Satellite 5p	188	+2	u2.0	2.5	1.5	55.9
‡100	F.P.	23/11	119	102	✣Breakmate 10p	116	...	bg2.5	3.0	3.1	15.2
‡105	F.P.	7/12	155	115	✣CVD Inc $0.01	150	−5	F$2.0	—	1.1	—
§160	F.P.	—	188	176	Candover Inv.	188	+8	H1.4	—	1.1	—
§116	F.P.	6/12	193	134	✣Craton Lodge 1p	193	+6	bq1.75	2.6	1.3	43.2
††	F.P.	—	37	37	Dun&Bradstreet $1.00	37	...	$1.88	—	4.1	—
‖‖	F.P.	—	92	88	GBC Capital	92	+1	Q2.4	—	1.6	—
‖‖	F.P.	—	24	21	Do. Warrants	23	−1	—	—	—	—
‡78	F.P.	14/12	99	86	✣Gabicci 5p	96	...	b3.8	2.5	4.2	13.8
††	F.P.	—	—	—	G.Amer.Ft Svgs Bk.$1	£11	......				
¶¶	F.P.	—	81	81	Hawley Group $0.01	81	......	1.86	3.2	3.3	13.5
¶¶	F.P.	—	31	25	✣Health Care S'rvic's	26	...	—	—	—	94.6
††	F.P.	—	—	—	Herculesinc.	q$1.6	...	—	4.5		
§145	F.P.	7/12	242	160	✣INSTEM 10p	235	+5	bg1.5	6.4	0.9	29.2
**	F.P.	—	21	21	Jap.AssetsTstWar'nts	24	+3	—	—	—	—
§62	F.P.	—	67	64	Kingsley&Forester20p	64	......	bg3.04	1.9	6.8	9.8
§85	F.P.	7/12	118	95	✣Klark-Teknik 5p	115	...	u0.6	4.7	0.7	40.6
††	F.P.	—	24½	24½	MartinMarietta $1.00	24¼	−½	$1.34	—	4.4	—
140	F.P.	21/12	163	149	P.S.M. Int'l.	163	...	bg 5.25	2.6	4.6	11.9
§130	F.P.	—	160	150	✣Penny & Giles Intl.	152	+2	bq1.82	2.6	1.7	19.6
92	F.P.	—	94	91	ProcessSystems$0.025	93	+2	Q0.25c.	0.2	0.2	—
‡10	F.P.	16/11	11½	10	Second MarketInv.5p	11	......	—	—	—	—
§140	F.P.	10/12	204	184	✣Share Drug 10p	204	...	ud1.7	3.0	1.2	54.6
††	F.P.	—	£22½	£22½	The Limited Inc. $0.50	£22⅛	...	Q24c	—	0.9	—
§110	F.P.	30/11	125	113	✣UDO Hldgs. 10p	124	...	u3.75	2.0	4.3	16.2
132	F.P.	11/1	173	156	Wardle Storeys 10p	167	+1	u5.0	2.7	4.3	10.2
20	F.P.	—	23½	21	Williams (Rex) Leis.5p	22	+1	u0.91	1.4	5.9	15.2

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+ or −
**	F.P.	21/12	155	105	Aberfoyle 8% Cnv. Uns. Ln. '95	155	−5
91.574	£30	10/4	34¼	29⅞	African Dev. Bank 11⅛% Ln. 2010	32¾	+¼
‖	F.P.	11/1	119	115	Automated Sec. 5% Cnv. Cum Red Prf.	118	.....
‡100	F.P.	—	102½	100	Comm Bk of Wales 13⅛% SubUns Ln 95-97	102½	.....
‖100	F.P.	—	18ppm	5ppm	Fll 7.7% Cnv. Cum. Red. Prf. £1	18ppm	+2
‡101	£51	—	£54	£53	Felixstowe Dock Prf. Units †	53	−½
‡100	F.P.	24/1	100½	95½	Folkestone Water 11½% Red. Deb. 2004	99	.....
§99.094	F.P.	—	99¼	98¼	Gartmore Amer. 11⅝% Deb. 2014	98¾	+¼
§99.406	F.P.	11/1	101¼	100	Glasgow Stock'hlds 11½% Deb. 2009	100	.....
85.81	£30	—	30⅛	29¼	Int.-Am. Dev. Bk. 9¾ Ln. 2015	30⅛	+⅛
99.161	£30	17/1	35½	28⅝	Intl. Bk. for Recon. & Dev. 11⅝% Ln. 2003	33⅛	.....
‖	Nil	—	9pm	8pm	Jap. Assets Tst. 4½% Uns. Cnv. Ln. 1994	9pm	+1
‖	F.P.	—	140p	130p	Johnson Matthey 8% Cnv. Cum. Prf.	135p	.....
‖	F.P.	—	—	—	Lifecare Intl. 6½% Cv. Cum. Red. Prf. 1999	£90	.....
§99.199	£25	15/3	29⅞	24½	Lon. Shop Prop. 11⅛% 1st Mort. Deb. 2018	29	+¼
§98.013	F.P.	—	99	97½	Lowland Inv. 11¼% Deb. 2010	97¾	+¼
‖	Nil	—	15pm	5pm	McCarthy & Stone 7% Cv. Ln. 99/04	9pm	−2
—	F.P.	—	100½	99⅝	NationwideBldg.Soc.10¼% Bds. 9/12/85	99⅝	−⅛
—	F.P.	—	100⅛	100	Do. 10⅝% 13/12/85	100	.....
‖	F.P.	11/1	121	101½	Normans Grp. 8¾% Cnv. Uns. Ln. 99/2004	115	−2½
¶¶	F.P.	—	56	53	Peel 10% Cum. Pref. 50p	55	.....
¶¶	F.P.	26/4	129	115	Racal Elect 7% Cnv. Uns. Ln. 2009/14	120	.....
¶¶	F.P.	—	60p	60p	Simon Engn. 4% Cm. Rd. PF. '84-86	60p	.....
¶¶	F.P.	—	65p	65p	Do. 5.4% Cm. Rd. PF.	65p	.....
¶¶	F.P.	—	76p	76p	Do. 6.35% Cm. Rd. PF. '91-96	76p	.....
¶¶	F.P.	—	86p	86p	Do. 7.75% Cm. Pd. PF. '92-97	86p	.....
100	F.P.	24/1	100¼	99	Sun'ld & Sth. Shields 11⅛% Deb. 2005	99	.....
91.976	£20	27/3	24⅞	18½	Sweden 11% Ln. 2012	24⅛	+⅛

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −
5	F.P.	14/12	6	5½	Amalgamated Estates 5p	5½	.....
80	F.P.	15/1	84	80	Attwoods	82	−1
64	Nil	—	9pm	5pm	Bairstow Eves 5p	6pm	.....
175	Nil	—	40pm	40pm	Birmingham Mint	40pm	.....
85	Nil	—	17pm	14pm	Carr's Milling	14pm	.....
145	F.P.	30/1	178	164	Equipu	164	
30	Nil	—	34pm	31pm	Jacks (Wm)	31pm	
80	Nil	—	20pm	19pm	LCP Hldgs	19pm	
185	F.P.	18/1	222	218	Marshalls Halifax	220	
24	Nil	—	1½pm	1½pm	Morris (W.) Fine Arts 20p	1½pm	
115	Nil	—	30pm	28pm	Notts. Brick	30pm	
38	Nil	—	5pm	1pm	Steaua Romana R/V	1pm	
5	Nil	30/1	1½pm	1½pm	Tranwood 5p	1½pm	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. T Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Allotment letters or fully-paid. ‖‖ Introduction. ✣ Unlisted Securities Market. † Placing price. † Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Mon Dec 24 1984 (Index No., Day's Change %, Est. Earnings Yield%, Gross Div. Yield%, Est. P/E Ratio) — Fri Dec 21, Thurs Dec 20, Weds Dec 19, Tues Dec 18, Year ago (approx.)

Figures in parentheses show number of stocks per section

	Index No.	Day's Change %				Fri Dec 21	Thurs Dec 20	Weds Dec 19	Tues Dec 18	Year ago
91 ALL-SHARE INDEX (741)	580.86	+0.2	—	4.51	—	579.98	582.21	586.60	583.80	469.24
FT-SE 100 SHARE INDEX	1205.2	+0.5	1205.6	1203.2	—	1204.7	1207.2	1220.5	1216.2	

FIXED INTEREST

PRICE INDICES	Mon Dec 24	Day's change %	Fri Dec 21	xd adj. today	xd adj. 1984 to date
British Government 1 5 years	118.18	+0.18	117.96	—	11.26
2 5-15 years	129.69	+0.18	129.57	—	14.41
3 Over 15 years	136.35	+0.26	135.99	—	15.77
4 Irredeemables	149.71	−0.11	149.87	—	13.57
5 All stocks	128.41	+0.19	128.17	—	13.58
6 Debentures & Loans	108.53	−0.03	109.57	0.80	11.89
7 Preference	77.65	−0.06	77.90	0.13	6.72
BRITISH GOVERNMENT INDEX-LINKED STOCKS 8 All stocks	109.79	+0.02	109.77	—	2.86

AVERAGE GROSS REDEMPTION YIELDS [illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

LONDON TRADED OPTIONS

[illegible]

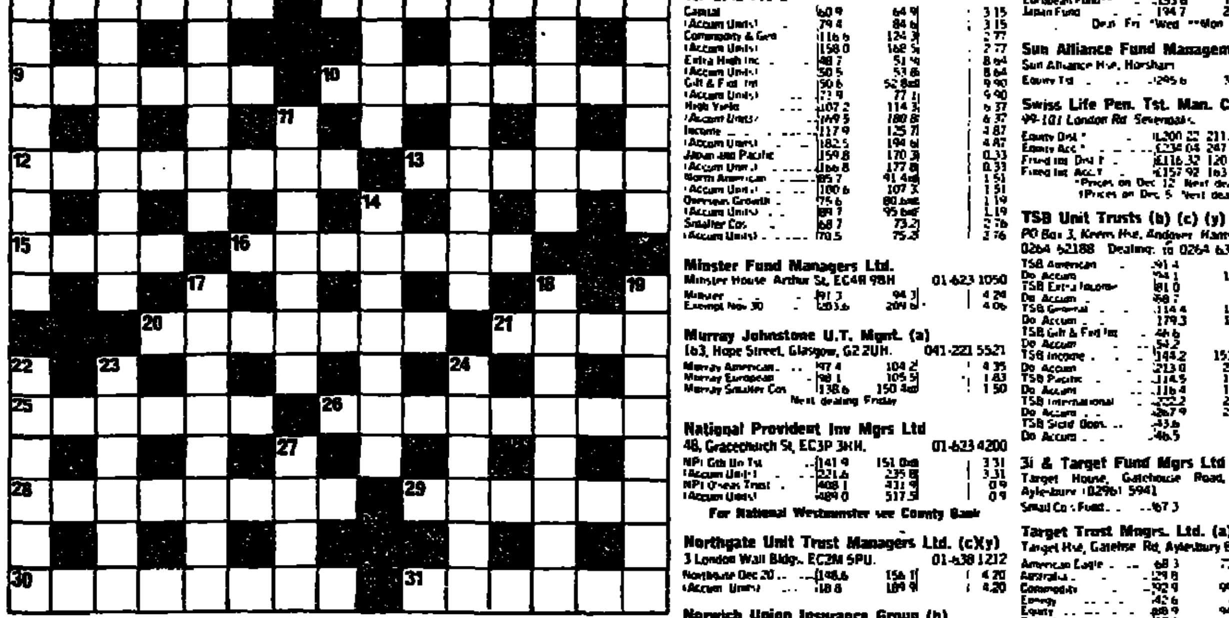
Dec. 24. Total contracts 1,349. Calls 1,036. Puts 313.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

F.T. CROSSWORD PUZZLE NO. 5,603



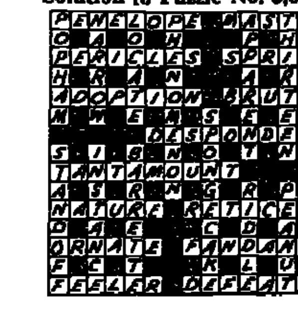
ACROSS

1 Put down for an indoor game (6)
4 Purchase from bar before time (8)
9 Slovenly in duty perhaps (6)
10 Quality that needs raising? (8)
12 Confiscates one thousand sterling (8)
13 And 22 down: A judge's opinion, by the way (6, 6)
15 Accustomed to being employed (4)
16 Set off on horseback? (7)
20 Cunning employed in any lawless state (7)
21 No excuse for pleasure, that's certain (4)
25 I'm not one to weaken (6)
26 Well-known line in footwear (8)
28 Resented becoming unwell? (5, 3)
29 Give acute distress in school (6)
30 Duck a l'orange? (8)
31 Half of us on door watch (6)

DOWN

1 Press forward with debts though not genuine (8)
2 Not utilised, like a neglected barometer? (8)
3 Elementary sum I do get wrong (6)
5 Creatures with feet going in two directions (4)
6 Entitled to directions on how to turn blonde (8)
7 Makes work play perhaps (6)
8 Continue to stand (6)
11 *Undo jar that's damaged and put on the shelf* (7)
14 The pile some workers make (3-4)
17 Status symbols? (8)
18 His word is law at a court perhaps (8)
19 Far from being off to a good start (4, 4)
22 See 13 across
23 It's said to be articulated (6)
24 Transfix a politician caught in a lie perhaps (6)
27 Live poorly in low-lying land (4)

Solution to Puzzle No. 5,601



هكذا من الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
The Money Market Trust				
63 Qn Victoria St. EC4N 4ST. 01-236 0952				
Call Fund	9.04	9.28	6mth	Call
7-day Fund	9.25	9.51	6mth	7-day
Oppenheimer Money Management Ltd				
66 Cannon St EC4N 6AE. 01-236 1425				
Call Fund	8.75	8.94	6mth	Call
7-day Fund	8.93	9.12	3mth	Call
MnyMgAc	8.75	9.04	6mth	Call
Dollar	7.00	7.12	6mth	2-day

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Aitken Hume				
10 City Road. EC1Y 2AY. 01-638 6070				
TreasuryAcc	9.375	9.71	Qtr	Call
Mth Int Chq	9.25	9.65	Mth	Call
Bank of Scotland				
38 Threadneedle St. EC2 2EH. 01-628 8060				
Cheque Acc	9.25	9.65	Mth	Call
Barclays Prime Account				
PO Box 125. Northampton. 0604 252891				
High Int Chq	9.25	9.57	Qtr	Call
Britannia Grp of Investment Companies				
29 Finsbury Circ. EC2M 5QL. 01-555 2777				
Cater Allen	9.00	9.38	Mth	Call
Charterhouse Japhet plc				
1 Paternoster Row. EC4M 7DH. 01-248 3999				
Sterling	9.00	9.381	Mth	Call
U.S. Dollar	7.50	7.765	Mth	Call
German Marks	5.0	5.116	Mth	Call
Swiss Francs	2.0	2.018	Mth	Call
Japanese Yen	5.0	5.116	Mth	Call
Choulartons				
30 Ashley Rd. Altrincham. Cheshire. WA1 2DW. 061 928 9011				
Cheque Acc	9.75	10.20	Mth	Call
Co-operative Bank				
78-80 Cornhill EC3. 01-626 6543 Ext 464				
Under £1,000	8.00	8.24	Qtr	Call
Over £1,000	10.00	10.38	Qtr	Call
Dartington & Co Ltd				
Dartington. Totnes. Devon. TQ9 6JE. 0803 862271				
MnyMktAcc	9.50	89.84	Qtr	Call
Henderson/Bank of Scotland				
38 Threadneedle St. EC2P. 01-628 8060				
MyMtChqAc	9.25	9.65	Mth	Call
Lombard North Central plc				
17 Bruton St. W1A 3DH. 01-409 3434				
Notice Dep	9.75	10.12	Rate	14-day
M & G Kleinwort Benson				
91-99 New London Rd. Chelmsford. 0245 51651				
HighIntChqAc	9.30	9.74	Daily	Call
Midland Bank plc				
PO Box 2. Sheffield. 0742 20999 Ext 8738				
HighIntChq	9.30	9.62	Qtr	Call
Save & Prosper/Robert Fleming				
28 Western Rd. Romford. RM1 3LB. 0708 66966				
HighIntMkAc	9.00	9.41	Daily	Call
Premier Acc	9.00	9.41	Daily	Call
Tyndall & Co				
29-33 Princess Victoria St. Bristol BS8 4BX 0272 732241				
Demand Acc	9.13	9.47	Qtr	Call
Money Acc	9.375	9.71	Qtr	Chq/7
J. Henry Schroder Wagg & Co Ltd				
Enterprise House. Portsmouth. 0705 827733				
Special Acc	8.90	9.27	Mth	Call
Over £10,000	9.15	9.54	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. § Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rates of NAV increase.

Financial Times Thursday December 27 1984

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
105¾	100½	Treas. 15pc 1985	100½	.....	14.90	9.68
102¼	100	Exch. 12pc Cnv. '85	100⅝		11.93	9.50
97½	93⅜	Treas 3pc 1985	97½	+⅛	3.08	9.87
102⅞	99½	Treas 11½pc 1985	100⅞		11.40	9.96
99⅜	96⅜	Treas 8¾pcCnv '85	99⅛	+⅛	8.82	9.93
104⅛	99⅞	Exch. 12¼pc 1985	101⅞	.....	12.03	10.06
103⅞	99⅛	Exch. 11¾pc '86	101¼		11.59	10.36
102⅛	96⅛	Treas. 10pcCnv 1986	99⅞	+⅛	10.04	10.33
93⅛	88¼	Treas 3pc 1986	93⅛	+⅛	3.22	8.38
102	96¼	Exch. 10½pc Cv '86	100⅛	+⅛	10.48	10.35
104⅛	99⅛	Treas 12pc 1986	101⅞		11.79	10.62
98¼	93½	Treas 8½pc 1984-86‡‡	97¼		8.74	10.53
108⅞	102⅛	Exch. 14pc 1986	105⅛	+⅛	13.29	10.66
89⅞	85	Exch. 2½pc 1986	88⅞	+⅛	2.82	9.10
107⅞	100⅞	Exch. 13¼pc 1987	104⅞	+⅛	12.66	10.70
100⅞	94½	Treas 10¼pcCv '87	98⅞	+⅛	10.36	10.77
87¼	83⅛	Exch 2½pc 1987	86¼	....	2.88	9.40
101⅛	94½	Exch. 10½pc 1987	99⅛	+⅛	10.56	10.76
92¼	87	Funding 6½pc '85-87‡‡	91½		7.10	10.49
99⅝	92⅞	Treas. 10pc 1987	98⅛	+⅛	10.17	10.80
86⅞	81⅛	Treas 3pc 1987	85⅞	.....	3.50	9.50
105	97⅛	Treas. 12pc 1987	102⅞	+⅛	11.69	10.85
94⅞	87⅛	Treas 7¾pc 1985-88‡‡	92½	+⅛	8.38	10.69
100¼	92⅞	Exch 10½pc '88	98⅝	+⅛	10.65	11.00
98⅛	89⅞	Treas 9¾pc Cv '88	96⅛	+⅛	10.11	11.01
82¼	77	Transport 3pc '78-88	81⅞	+⅛	3.67	9.13
96⅞	88⅛	Treas. 9½pc '88	95⅛	+⅛	9.99	11.10
106¼	94⅞	Treas 11½pc 1989	101¼	+⅛	11.36	11.08
96⅞	87⅞	Treas 9½pc Cnv. '89	95⅛	+⅛	9.99	10.93
99⅞	90⅞	Treas 10½pc 1989	98⅛	+¼	10.71	11.06
100⅛	88⅞	Exch.10pc 1989	95⅞	+⅛	10.44	11.18
101⅛	94¼	Exch 11pc 1989	99⅛	+⅛	11.06	11.12
85⅛	77½	Treas 5pc 1986-89	81½	+⅛	6.12	9.93

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, HP AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا عن الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
75	31	♥Anglo Utd. Dev.	36		—	—	—
410	210	♥Centenmal Min'ls.	362	+2	—	—	—
175	80	♥Colby Res Corp.	80	...	—	—	—
955	560	Cons. Murch. 10c	575		†Q100c	1.4	7.9
36	25	‡Ennex Int. Ir10p	31	...	—	—	—
252	150	Hampton Areas 10p	162xd	+5	3.75	2.1	3.1
225	140	♥Highwood Res.	165	−5	—	—	—
£24½	£16	Homestake Mining $1	£18¼	+⅛	Q20c	—	0.5
295	135	♥McFinley Red Lake	265	+5	—	—	—
240	101	♥Musto Explorations	192	−3	—	—	—
55	23	♥New Sabina Res C$1	38	+1	—	—	—
365	220	Northgate C$1	265	−5	—	—	—
718	500	RTZ	584	+1	†18.0	2.7	4.4
£155½	£113½	Do. 9½pcLn '95-2000	£129	−½	Q9½%	35.4	0.1
£11¼	850	♥Tara Expln $1	984	+9	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim, reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B Fr Belgian Francs. Fr French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	90	...	Arnott	150	...
Craig & Rose £1	£11		CPI Hldgs	49	
Finlay Pkg. 5p	42		Carrol Inds.	86½	...
Higsons Brew	83		Dublin Gas	65	...
Holt (Jos) 25p	880		Hall (R. & H.)	43	..
IoM Stm £1	110	...	Heiton Hldgs.	14½	...
IRISH			Irish Ropes	32xd	−2
Exch. 12% 1985	£98¾	...	Jacob (W. & R.)	65	...
Nat. 9¾% 84/89	£83	..	TMG	72	..
Fin. 13% 97/02	£87⅝	...	Unidare	78	.....

OPTIONS — 3-month call rates

Industrials	p		p		p
Allied-Lyons	15	Hanson Tst.	22	Vickers	18
BAT	30	Hawker Sidd	38		
BOC Grp.	24	Hse of Fraser	28	**Property**	
BSR	15	ICI	50	Brit Land	14
Babcock	13	'Imps'	14	Cap Counties	18
Barclays Bank	42	Jaguar	18	Land Secs	24
Beecham	30	Ladbroke	20	MEPC	30
Blue Circle	46	Legal & Gen	42	Peachey	24
Boots	18	Lex Service	32	Samuel Props	14
Bowaters	16	Lloyds Bank	42	Sterling Guar.	5½
Brit Aerospace	34	Lucas Inds.	24		
Brit. Telecom	7½	Marks & Spcr	18	**Oils**	
Brown (J.)	3	Midland Bk	33	Brit Oil & Min	4½
Burton Ord	32	NEI	9	Brit Petroleum	38
Cadburys	19	Nat West Bk	54	Burmah Oil	19
Comm Union	15	P & O Dfd	24	Charterhall	6
Courtaulds	11	Plessey	20	Premier	6
Debenhams	19	Polly Peck	25	Shell	55
Distillers	24	Racal Elect	24	Tricentrol	22
Dunlop	5	RHM	10	Ultramar	22
FNFC	7	Rank Org Ord	24		
Gen Accident	42	Reed Intnl	50	**Mines**	
Gen Electric	20	Sears	7	Charter Cons	21
Glaxo	90	TI	18	Cons Gold	42
Grand Met	26	Tesco	8	Lonrho	14
GUS 'A'	55	Thorn EMI	42	Rio T Zinc	60
Guardian	58	Trust Houses	12		
GKN	16	Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 21

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Quiet trading

Trading was predictably quiet in currency markets on Monday. The little business seen occurred early on and was confined to a few small commercial orders. Consequently the dollar showed a small improvement and sterling also managed a small rise. Sterling's index opened at 73.4 and dipped briefly at 10 am to 73.3 before recovering to finish at 73.6, up from 73.2 on Friday.

The pound traded in a very narrow range against the dollar before closing at $1.1745-1.1755, a fall of just 5 points from Friday's close. Against the D-mark it rose to DM 3.6675 from DM 3.6550 and SwFr 3.0250 compared with SwFr 3.0075. It was also firmer against the French franc at FFr 11.23 from FFr 11.22 and Y291.50 from Y291.0. A cut in the U.S. discount rate late on Friday to 8 per cent gave the pound some comfort with longer-term domestic interest rates steadier. However, any improvement in sentiment in currency markets may not be seen until after the New Year.

The dollar was a little firmer overall, helped by a few small orders during the morning. It finished at DM 3.1205, up from DM 3.1155, and SwFr 2.5725 from SwFr 2.5665. Against the yen it was a little firmer at Y247.95 compared with Y247.85. It was quoted a little lower in terms of the French franc at FFr 9.5225 from FFr 9.5300. On Bank of England figures, the dollar's index rose to 143.6 from 143.5.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu December 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	44.7150	−0.41	+0.13	±1.5428
Danish Krone	8.14104	7.99144	−1.84	−1.30	±1.6421
German D-Mark	2.24184	2.22932	−0.55	−0.02	±1.1463
French Franc	6.87456	6.82717	−0.69	−0.15	±1.3659
Dutch Guilder	2.52595	2.51843	−0.30	+0.24	±1.5165
Irish Punt	0.72569	0.714769	−1.50	−0.96	±1.6671
Italian Lira	1403.49	1372.71	−2.19	−2.17	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

CURRENCY MOVEMENTS

Dec 24	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.6	−17.0
U.S. dollar	143.6	+29.7
Canadian dollar	76.4	−2.9
Austrian schilling	110.4	+3.2
Belgian franc	88.6	−10.7
Danish Kroner	75.7	−5.3
Deutsche mark	66.2	+6.1
Swiss franc	139.6	+9.7
Guilder	110.1	+2.9
French franc	63.7	−16.4
Lira	46.6	−13.8
Yen	156.7	+12.3

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Dec. 24	Bank rate %	Special Drawing Rights	Europ'n Currency Unit
Sterling	—	—	0.61165
U.S. $	8½	—	0.713840
Canadian $	10.16	•	0.940627
Austria Sch.	4½	—	15.6367
Belgian Fr	11	—	44.7150
Danish Kr.	7	—	7.99144
Dmark	4½	—	2.22932
Guilder	5	—	2.51843
French Fr.	9½	—	6.82717
Lira	16½	—	1372.71
Yen	5	—	177.032
Norway Kr	8	—	6.44776
Spanish Ptar	½	—	123.137
Swedish Kr.	9	—	6.37102
Swiss Fr	4	—	1.83386
Greek Dr'ch	20½	—	91.1931
Irish Punt	12¾	—	0.714769

*C$/SDR rate for December 21: 1.29615
† All rates for December 21.

£ in New York

	December 24	Prev. close
£ Spot	$1.1710-1.1725	$1.1720-1.1730
1 month	0.10-0.07 pm	0.12-0.11pm
3 months	0.26-0.22 pm	0.35-0.33pm
12 months	0.5-0.10 dis	0.30-0.25pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Dec 24	Previous
8.30 am	73.4	73.1
9.00 am	73.4	73.2
10.00 am	73.3	73.1
11.00 am	73.4	73.1
Noon	73.6	73.1
1.00 pm	—	73.1
2.00 pm	—	73.2
3.00 pm	—	73.1
4.00 pm	—	73.2

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10¾
Broker loan rate	9¾-10¾
Fed funds	8
No Fed intervention	—

Treasury Bills

One month	6.90
Two month	7.35
Three month	7.82
Six month	8.00
One year	8.35

Treasury Bonds

Two year	99²⁶⁄₃₂
Three year	101²⁄₃₂
Four year	101²⁸⁄₃₂
Five year	100⁵⁄₃₂
Seven year	104¾
10 year	101¹¹⁄₃₂
30 year	102²⁷⁄₃₂

OTHER CURRENCIES

Dec. 24	£	$		£ Note Rates
Argentina Peso	199.19-199.88	169.96-170.11	Austria	25.50-25.80
Australia Dollar	1.4002-1.4077	1.1955-1.1970	Belgium	73.60-74.40
Brazil Cruzeiro	3,564-3,591	3,041-3,056	Denmark	13.04-13.18
Finland Markka	7.5926-7.6310	6.4950-6.4970	France	11.17-11.27
Greek Drachma	148.19-151.17	126.52-129.08	Germany	3.64½-3.68½
HongKong Dollar	9.1681-9.1895	7.8225-7.8275	Italy	2240-2270
Iran Rial	110.50*	92.90*	Japan	291-295
KuwaitDinar(KD)	0.3357-0.3569	0.30375-0.30381	Netherlands	4.12-4.16
Luxembourg Fr.	73.60-73.70	62.65-62.70	Norway	10.56-10.66
Malaysia Dollar	2.8269-2.8376	2.4130-2.4160	Portugal	195-212
New Zealand Dlr.	2.4180-2.4372	2.0780-2.0825	Spain	196½-198
Saudi Arab Riyal	4.1711-4.1818	3.5605-3.5610	Sweden	10.46-10.56
Singapore Dollar	2.5456-2.5534	2.1710-2.1760	Switzerland	3.01½-3.04½
Sth African Rand	2.2802-2.2950	1.9510-1.9705	United States	1.17½-1.19
U.A.E. Dirham	4.3012-4.3121	3.6720-3.6730	Yugoslavia	295-315

* Selling rates.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Dec 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1700-1.1770	1.1745-1.1755	0.14-0.09c pm	1.12	0.36-0.29 pm	1.11
Ireland†	0.9985-1.0005	0.9990-1.0005	0.57-0.52c pm	6.54	1.50-1.40 pm	5.80
Canada	1.3150-1.3185	1.3161-1.3166	0.15-0.22c dis	−1.69	0.41-0.48dis	−1.35
Nethlnd.	3.5200-3.5260	3.5250-3.5260	0.83-0.80c pm	2.77	2.92-2.88 pm	3.29
Belgium	62.55-62.70	62.65-62.70	9-10c dis	−1.82	21-23 dis	−1.40
Denmark	11.16¾-11.17½	11.16¾-11.17¼	2.20-3.80ore dis	−3.22	6.70-8.30dis	−2.68
W. Ger.	3.1200-3.1210	3.1200-3.1210	0.77-0.72pf pm	2.87	2.45-2.40 pm	3.11
Portugal	167¾-168½	167¾-168¼	175-525c dis	−25.07	500-1450ds	−23.28
Spain	171.85-172.35	171.85-172.35	60-70c dis	−4.52	160-180 dis	−3.94
Italy	1917½-1918½	1917½-1918½	10-10½lire dis	−6.41	27-27¾ dis	−5.70
Norway	9.02-9.03½	9.02¾-9.02¾	2.65-4.15ore dis	−4.52	8.50-10.00ds	−4.10
France	9.52-9.52½	9.52-9.52½	1.85-2.00c dis	−2.41	4.60-5.10dis	−2.03
Sweden	8.90¼-8.90¾	8.90¼-8.90¾	1.50-3.00ore dis	−3.03	6.00-7.50dis	−3.03
Japan	247.90-248.10	247.90-248.00	0.52-0.42y pm	2.27	1.45-1.35 pm	2.26
Austria	21.88-21.93	21.88-21.93	1¼-½gro pm	0.55	6½-3 pm	0.87
Switz.	2.5720-2.5730	2.5720-2.5730	0.90-0.84c pm	4.07	2.45-2.39 pm	3.77

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.85-62.95.

POUND SPOT—FORWARD AGAINST POUND

Dec 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1700-1.1755	1.1745-1.1755	0.14-0.09c pm	1.12		
Canada		1.5460-1.5500	0.01cpm-0.15dis	−0.54	par-0.20 dis	−0.26
Nethlnd.		4.13½-4.14½	1½-1¼c pm	3.99	4⅜-4 pm	4.05
Belgium		73.60-73.70	4.14c dis	−1.47	9-23 dis	−0.87
Denmark		13.12½-13.13½	1-3½ ore dis	−2.05	4-6½ dis	−1.60
Ireland		1.1750-1.1770	0.44-0.62p dis	−5.41	1.24-1.56ds	−4.76
W. Ger.		3.66¼-3.67¼	1½-1½pf pm	4.09	4-3⅞ pm	4.16
Portugal		195.05-197.90	180-595c dis	−23.67	520-1645ds	−22.04
Spain		201.50-202.60	50-65c dis	−3.41	130-155 dis	−2.82
Italy		2258-2262	7-11lire dis	−4.78	22-30 dis	−4.60
Norway		10.60-10.61	1¾-4ore dis	−3.25	6½-9 dis	−2.95
France		11.22½-11.23½	¾-1¾c dis	−1.27	2-3⅜ dis	−0.96
Sweden		10.46¾-10.47¾	¾-2¾ore dis	−1.72	3⅝-6⅝ dis	−1.91
Japan		291-292	1.0-0.7y pm	3.50	2.6-2.3 pm	3.36
Austria		25.57-25.80	5-2⅞gro pm	1.84	15½-10½ pm	2.03
Switz.		3.02-3.03	1½-1¼c pm	4.96	3⅝-3¼ pm	4.63

Belgian rate is for convertible francs. Financial franc 73.90-74.10. Six-month forward dollar 0.45-0.35c pm, 12-month 0.30-0.10 c pm.

EXCHANGE CROSS RATES

Dec. 24	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Frank
Pound Sterling	1.	1.175	3.668	291.5	11.23	3.025	4.140	2260.	1.548	73.65
U.S. Dollar	0.851	1.	3.121	248.0	9.522	2.573	3.526	1918.	1.317	62.66
Deutchemark	0.273	0.320	1.	79.48	3.062	0.825	1.129	616.2	0.422	20.08
Japanese Yen 1,000	3.431	4.031	12.58	1000.	38.52	10.38	14.20	7753.	5.309	252.7
French Franc 10	0.890	1.046	3.266	259.6	10.	2.694	3.687	2012.	1.378	65.58
Swiss Franc	0.331	0.388	1.212	96.36	3.712	1.	1.369	747.1	0.512	24.35
Dutch Guilder	0.242	0.284	0.886	70.41	2.713	0.731	1.	545.9	0.374	17.79
Italian Lira 1,000	0.442	0.520	1.623	129.0	4.969	1.338	1.832	1000.	0.685	32.59
Canadian Dollar	0.646	0.759	2.370	188.4	7.257	1.955	2.675	1460	1.	47.59
Belgian Franc 100	1.358	1.595	4.980	395.8	15.25	4.107	5.621	3069.	2.101	100.

FINANCIAL FUTURES

No change

Interest rates remained steady on Monday in the London money market with trading at a bare minimum. The Bank of England forecast a shortage of around £50m and gave assistance in the morning of £68m. Factors affecting the market included maturing assistance and a take up of Treasury bills together draining £357m and Exchequer transactions £170m. On the other hand there was a fall in the note circulation of £375m and banks brought forward balances £90m above target. The morning help comprised purchases of £68m of eligible bank bills in band 2 (15-33 days) at 9¼ per cent.

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.3913	—	—	0.3927

Est vol nil (nil)
Previous day's open int 11 (111)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4061	—	—	0.4056

Est vol nil (3)
Previous day's open int 130 (130)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Dec	120.75	120.90	120.70	120.50
March	121.10	121.10	120.80	120.75
June	121.15	—	—	120.90

Est volume 18 (284)
Previous day's open int 1,085 (1,085)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	72-15	72-15	72-10	72-08
June	71-24	—	—	71-17

Est volume 54 (1,435)
Previous day's open int 1,411 (1,411)

LONDON FUTURES

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.68	90.70	90.65	90.62
June	90.12	90.11	90.09	90.06
Sept	89.63	89.63	89.61	89.57
Dec	89.22	89.27	89.22	89.18
March	88.86	88.89	88.86	88.79

Est volume 473 (3,799)
Previous day's open int 9,019 (9,019)

THREE-MONTH STERLING £250,000 points of 100%

	Close	High	Low	Prev
March*	90.00	90.04	89.99	89.95
June*	89.94	—	—	89.86
Sept*	89.78	—	—	89.70
Dec*	89.58	—	—	89.56
March*	89.46	—	—	89.44

Est volume 31 (1,426)
Previous day's open int 5,299 (5,299)
*500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nd of 100%

	Close	High	Low	Prev
Dec	107-24	107-26	107-24	107-24
March	107-09	107-12	107-07	107-09
June	106-21	106-22	106-21	106-22
Sept	109-14	—	—	109-15
Dec	109-02	—	—	109-03

Est volume 256 (3,778)
Previous day's open int 2,958 (2,958)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract −10 to −2 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.1725	1.1725	1.1720	1.1693
June	1.1713	—	—	1.1680
Sept	1.1715	—	—	1.1680

Est volume 80 (534)
Previous day's open int 3,988 (3,998)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3225	—	—	0.3221

Est volume nil (3)
Previous day's open int 155 (155)

CHICAGO FUTURES

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	71-31	72-17	71-29	72-15
June	71-07	71-23	71-04	71-21
Sept	70-17	70-29	70-14	70-29
Dec	69-29	70-08	69-25	70-08
March	69-09	69-21	69-03	69-21
June	68-22	69-02	68-22	69-03
Sept	68-07	68-07	68-06	68-19
Dec	—	—	—	68-03
March	67-10	—	—	67-21
June	66-29	—	—	67-08

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	91.84	91.91	91.82	91.86
June	91.44	91.44	91.37	91.42
Sept	90.95	91.01	90.94	90.99
Dec	90.57	90.60	90.57	90.64
March	90.27	—	90.27	90.33
June	90.00	90.02	90.00	90.06
Sept	89.75	—	—	89.80
Dec	—	—	—	92.21

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.80	91.80	91.70	91.70
March	91.07	91.12	91.05	91.14
June	90.48	90.53	90.48	90.57

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.68	90.75	90.65	90.75
June	90.12	90.16	90.10	90.18
Sept	89.64	89.66	89.63	89.70
Dec	89.21	89.21	89.20	89.27
March	88.85	88.85	88.84	88.91
June	88.51	—	88.51	88.58
Sept	88.26	—	88.26	88.29

STERLING (IMM) Se per £

	Latest	High	Low	Prev
March	1.1670	1.1700	1.1625	1.1600
June	1.1670	1.1680	1.1615	1.1580
Sept	1.1680	1.1680	—	1.1580
Dec	1.1680	1.1680	—	1.1585

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	68-30	69-04	68-27	69-05
June	—	—	—	68-13
Sept	—	—	—	67-26
Dec	—	—	—	67-10
March	—	—	—	66-25
June	—	—	—	66-13

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Dec. 24 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	7½-9	8⅞	8¼-8½	8¼-8½	—	—	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days notice	—	8¾-9¼	9¼	9⅛-9¼	9¼-9⅜	—	—	—	—	—
One month	9¼-9⅛	9¼-9⅜	9¼	9¼	—	9⅛	9⅛	9⅜	9⅜	10
Two months	9¼-9⅛	9⅜-9½	9½	10	—	9⅞	9⅞	9⅝	9¾	9⅞
Three months	9⅞-9⅝	9⅞-9¾	10	10⅛	—	9⅞	9⅞	9⅞	9⅞	10
Six months	9⅞-9⅞	10-10⅛	10	—	—	—	—	—	—	—
Nine months	10⅛-10	10⅛-10¼	—	—	—	—	—	—	—	—
One year	10⅛-10	10⅛-10⅛	10⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	10⅛-10⅛	—	9½	8.35-8.35	7⅛-8⅛	9⅛-9⅝
Two months	10¼-9⅞	—	9⅝	8.35-8.45	7⅞-8⅛	9⅛-9⅝
Three months	10¼-9⅞	—	10	8.4-8.5	7⅞-8⅜	9⅜-9⅝
Six months	10¼-10⅛	—	10⅛	8.8-8.9	8⅛-8⅜	9⅜-9⅝
Nine months	10⅛-10¼	—	10⅛	—	—	—
One year	10⅛-10⅛	—	10⅜	9.5-9.7	8⅞-9	9⅞-9⅝
Two years	—	10⅝	—	—	—	—
Three years	—	10¾	—	—	—	—
Four years	—	10¾	—	—	—	—
Five years	—	11⅛	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of interest period November 7 to December 4 1984 (inclusive): 9.504 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10½ per cent from December 1 1984. London and Scottish Clearing Bank Rates for lending 9½-9¾ per cent. London Deposit Rates for sums at seven days' notice 6-6¼ per cent. Treasury Bills: Average tender rates of discount 9.1133 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 9¾ per cent; one-three months 10 per cent; three-six months 10¼ per cent; six-nine months 10¼ per cent; nine-12 months 10¼ per cent. Under £100,000 9½ per cent from November. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. December 24)

3 months U.S. dollars	
bid 8 9/16	offer 8 11/16

6 months U.S. dollars	
bid 9 1/16	offer 9 3/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

Dec. 24	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.5-5.6	10¼	17¼-18¼	5⅛-6⅛	6.54375	16⅞-17⅛	10.6	14⅛-14⅞
One month	5.75-5.90	10⅛-10⅜	4⅛-5	5⅛-5⅜	6.46875	16⅞-17⅛	10⅛-10⅞	14⅛-15
Two months	5.70-5.90	10⅛-10⅛	—	—	—	—	—	14⅛-15
Three months	5.70-5.85	10⅛-10⅛	4⅞-5⅛	5⅛-5⅝	6.28125	16⅞-17⅛	10⅛-10⅜	14⅛-15
Six months	5.70-5.85	10⅛-10⅛	—	5⅛-5⅝	—	—	10⅛-10⅛	14⅛-14⅛
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	10⅛	—	5⅛	—	—	—	—

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 24	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	8½-8¾	7⅛-8⅛	9½-9¾	5½-5⅝	1-1¼	5⅝-5½	10½-10¾	15-16	10½-11½	10⅞-11⅛	6⅜-6½	8¾-10⅝
7 days' notice	8¾-9	8⅛-8⅞	9½-10	5⅛-5⅝	1-1¼	5⅝-5½	10½-10¾	12¼-13¼	11¾-12	10⅝-10⅞	6⅜-6½	11-12⅜
Month	9½-9⅝	8⅞-8⅞	9-10	5⅝-5⅝	5⅛-5⅛	5⅝-5¾	10-10⅛	13⅞-14⅞	10½-11	10⅛-10⅛	6⅛-6⅝	11⅞-18⅜
Three months	9⅝-10⅛	8⅜-8⅞	9-10	5⅛-5⅛	5-5⅛	5½-5⅝	10⅛-10⅛	14⅛-14⅞	10½-11	10-10⅛	6⅛-6⅛	11⅝-11⅞
Six months	9⅞-10	9⅛-9¼	10⅛-10⅛	5⅞-5⅞	4⅞-5	5⅝-5⅞	11-11⅛	14¼-14⅝	10½-11	10⅝-10⅞	6⅛-6⅝	11⅛-11⅝
One year	10⅛-10⅛	9⅛-9⅝	10⅛-10⅛	5⅞-6⅛	4⅞-5	5⅞-5⅞	11⅝-11⅞	14⅝-14⅞	10½-11	10⅛-10⅛	6⅛-6⅛	11¼-11⅝

Asian $ (closing rates in Singapore): Short-term 9⅝-9⅞ per cent; seven days 8⅞-8⅞ per cent; one month 8⅝-8½ per cent; three months 8⅝-8¹¹⁄₁₆ per cent; six months 9⅛-9⅞ per cent; one year 9⅞-10 per cent. Long-term Eurodollars: two years 10⅛-10⅞ per cent; three years 11⅛-11⅜ per cent; four years 11¼-11½ per cent; five years 11½-11¾ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

£ WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on December 24, 1984. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (o) official rate; (sg) selling rate; (c) controlled rate; (u) unified rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistan	Afghani	99.00
Albania	Lek	9.96
Algeria	Dinar	(A) 5.96
Andorra	French Franc / Spanish Peseta	11.23 / 202.05
Angola	Kwanza	(CM) 35.878
Antigua	E. Caribbean $	3.16
Argentina	New Peso	199.535
Australia	Australian $	1.4040
Austria	Schilling	25.735
Azores	Portug'se Escudo	196.475
Bahamas	Ba. Dollar	1.1750
Bahrain	Dinar	0.44
Balearic Isles	Spa. Peseta	202.05
Bangladesh	Taka	29.70
Barbados	Barbados $	2.3510
Belgium	B. Franc	(cm) 73.65 (fn) 74.00
Belize	B.$	2.3510
Benin	C.F.A. Franc	561.50
Bermuda	Bda $	1.1750
Bhutan	Indian Rupee	14.30
Bolivia	Bolivian Peso	(u) 10,327.355
Botswana	Pula	1.6066
Burkina Faso	C.F.A. Franc	561.50
Brazil	Cruzeiro ‡‡	3,577.50
Brit. Virgin Isles	U.S. $	1.1750
Brunei	Brunei $	2.5495
Bulgaria	Lev	1.2694
Burma	Kyat	10.3376
Burundi	Burundi Franc	140.50
Cameroon	C.F.A. Franc	561.50
Canada	Canadian $	1.5475
Canary Islands	Spanish Peseta	202.05
Cape Verde Is.	Cape V. Escudo	104.36
Cayman Islands	Cay. Is. $	0.9795
Cent.Afr. Republic	C.F.A. Franc	561.50
Chad	C.F.A. Franc	561.50
Chile	Chilean Peso	149.395
China	Renminbi Yuan	3.2602
Colombia	Col. Peso	(F) 180.21
Comoro Islands	C.F.A. Franc	561.50
Congo (Brazzaville)	C.F.A. Franc	561.50
Costa Rica	Colon	(U) 56.83
Cuba	Cuban Peso	1.0515
Cyprus	Cyprus £	0.75
Czechoslovakia	Koruna	(com) 8.70 (n c) 13.70 (t) 15.15
Denmark	Danish Kroner	13.13
Djibouti	Djibouti Franc	200.0 (sg)
Dominica	E. Caribbean $	3.16
Dominican Republic	Dominican Peso	(U) 3.5263
Ecuador	Sucre	(O) 74.48 (F) 138.84
Egypt	Egyptian £	(o) 0.9711 (u) 1.4004
El Salvador	Colon	2.9375
Equatorial Guinea	Ekuele	404.10
Ethiopia	Ethiopian Birr	(P) 2.395
Falkland Islands	Falkland Is. £	1.0
Faroe Islands	Danish Kroner	13.13
Fiji Islands	Fiji $	1.3366
Finland	Markka	7.0120
France	French Franc	11.23
French Cty in Af.	C.F.A. Franc	561.50
French Guiana	Local Franc	11.23
French Pacific Is.	C.F.P. Franc	195.25
Gabon	C.F.A. Franc	561.50
Gambia	Dalasi	6.00
Germany (East)	Ostmark	3.6675
Germany (West)	Deutsche Mark	3.6675
Ghana	Cedi	58.5250
Gibraltar	Gibraltar £	1.0
Greece	Drachma	149.70
Greenland	Danish Kroner	13.15
Grenada	E. Caribbean $	3.16
Guadaloupe	Local Franc	11.23
Guam	U.S. $	1.1750
Guatemala	Quetzal	1.1750
Guinea	Syli	29.60
Guinea-Bissau	Peso	99.40
Guyana	Guyanese $	4.8165
Haiti	Gourde	5.8775
Honduras	Lempira	2.35
Hong Kong	H.K. $	9.1760
Hungary	Forint	60.60(g)
Iceland	I. Krona	47.527
India	Ind. Rupee	14.30
Indonesia	Rupiah	1,250.83
Iran	Rial	110.05 (sg)
Iraq	Iraqi Dinar	0.3635
Irish Republic	Irish £	1.1760
Israel	Shekel	716.0
Italy	Lira	2,260.0
Ivory Coast	C.F.A. Franc	561.50
Jamaica	Jamaica Dollar	5.35
Japan	Yen	291.50
Jordan	Jordanian Dinar	0.4720
Kampuchea	Riel	N/A
Kenya	Kenya Shilling	17.55
Kiribati	Australian $	1.4040
Korea (Nth)	Won	1.571
Korea (Sth)	Won	964.61
Kuwait	Kuwaiti Dinar	0.3565
Laos	New Kip	41.1425
Lebanon	Lebanese £	10.3630
Lesotho	Maluti	2.2965
Liberia	Liberian $	1.1750
Libya	Libyan Dinar	0.3485
Liechtenstein	Swiss Franc	3.0250
Luxembourg	Lux Franc	73.65
Macao	Pataca	9.615
Madeira	Portug'se Escudo	196.475
Malagasy Republic	MG Franc	780.75
Malawi	Kwacha	1.79
Malaysia	Ringgit	2.8270
Maldive Islands	Rufiyaa	8.8750
Mali Republic	C.F.A. Franc	561.50
Malta	Maltese £	0.565
Martinique	Local Franc	11.23
Mauritania	Ouguiya	78.50
Mauritius	M. Rupee	18.00
Mexico	Mexican Peso	(f) 250.94 (c) 230.50
Miquelon	Local Franc	11.23
Monaco	French Franc	11.23
Mongolia	Tugrik	4.56 (f)
Montserrat	E. Caribbean $	3.16
Morocco	Dirham	10.99 (sg)
Mozambique	Metical	(A) 51.17
Namibia	S.A. Rand	2.2965
Nauru	Australian Dollar	1.4040
Nepal	Nepalese Rupee	19.56
Netherlands	Guilder	4.14
Netherlands Antilles	Antillian Guilder	2.1040
New Zealand	N.Z. Dollar	2.4375
Nicaragua	Cordoba	11.69
Niger Republic	C.F.A. Franc	561.50
Nigeria	Naira	1.069575 (sg)
Norway	Norwegian Krone	10.6050
Oman Sul'ate of	Rial Omani	0.4059
Pakistan	Pakistan Rupee	17.00
Panama	Balboa	1.1750
Papua N. Guinea	Kina	1.0981
Paraguay	Guarani	(o) 280.44 (x) 447.405
Peru	Sol	exe(A) 5,968.445
Philippines	Philippine Peso	22.10
Pitcairn Islands	£ Sterling / New Zealand $	1 / 2.4375
Poland	Zloty	149.79
Portugal	Portugu'se Escudo	196.475
Puerto Rico	U.S. $	1.1750
Qatar	Qatari Ryal	4.2565
Reunion Island	French Franc	11.23
Romania	Leu	(Cm) 5.27 (N)Cm 20.65
Rwanda	Rwanda Franc	124.24
St. Christopher	E. Caribbean $	3.15
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	3.15
St. Pierre	Local Franc	11.23
St. Vincent	E. Caribbean $	3.15
Salvador El	Colon	(see El Salvador)
Samoa American	U.S. $	1.1750
San Marino	Italian Lira	2,260.0
Sao Tome & Prin	Dobra	53.51
Saudi Arabia	Saudi Ryal	4.1765
Senegal	C.F.A. Franc	561.50
Seychelles	S. Rupee	8.43 (sg)
Sierra Leone	Leone	(a) 6.76
Singapore	Singapore $	2.5495
Solomon Islands	Solomon Is. $	1.5563
Somali Republic	Somali Shilling	30.5630
South Africa	Rand	2.2965
Spain	Peseta	202.05
Spanish ports in North Africa	Peseta	202.05
Sri Lanka	S. L. Rupee	30.15
Sudan Republic	Sudan £	(u) 1.5465
Surinam	Guilder	2.1040
Swaziland	Lilangeni	2.2965
Sweden	S. Krona	10.4675
Switzerland	Swiss Franc	3.0250
Syria	Syrian £	(A) 7.90 (u) CM 4.6140
Taiwan	New Taiwan $	46.15
Tanzania	Tan. Shilling	20.87
Thailand	Baht	31.00
Togo Republic	C.F.A. Franc	561.50
Tonga Islands	Pa'anga	1.4040
Trinidad	Trinidad & Tob $	2.8210
Tunisia	Tunisian Dinar	0.9895 (sg)
Turkey	Turkish Lira	502.58
Turks & Caicos	U.S. $	1.1750
Tuvalu	Australian $	1.4040
Uganda	Uganda Shilling	572.60
United States	U.S. Dollar	1.1750
Uruguay	Uruguay Peso	84.915
Utd. Arab Emirates	U.A.E. Dirham	4.3065
U.S.S.R.	Rouble	1.0835
Upper Volta	see Burkina-Faso	
Vanuatu	Vatu	118.97
Vatican	Italian Lira	2,260.0
Venezuela	Bolivar	(o) 8.81 (A) 8.77 (e) 14.675 (a) 12.27
Vietnam	Dong	11.3510
Virgin Islands U.S.	U.S. Dollar	1.1750
Western Samoa	Samoan Tala	(A) N.A
Yemen (Nth)	Ryal	6.85 (g)
Yemen (Sth)	S. Yemen Dinar	0.4005
Yugoslavia	New Y Dinar	240.9761
Zaire Republic	Zaire	48.3322
Zambia	Kwacha	2.45
Zimbabwe	Zimbabwe $	1.7130

* Rate is the transfer market (controlled). †† Now one official rate. (‡) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (4) Preferential rate for public sector debt and essential imports. (5) Preferential rate. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate. (8) Rate for remittances of foreign currency by Egyptians working abroad and tourists. (9) Banknote rate. (10) Rate for exports. (12) Rate for imports. (13) Essential imports. (14) Nearly all business transactions.

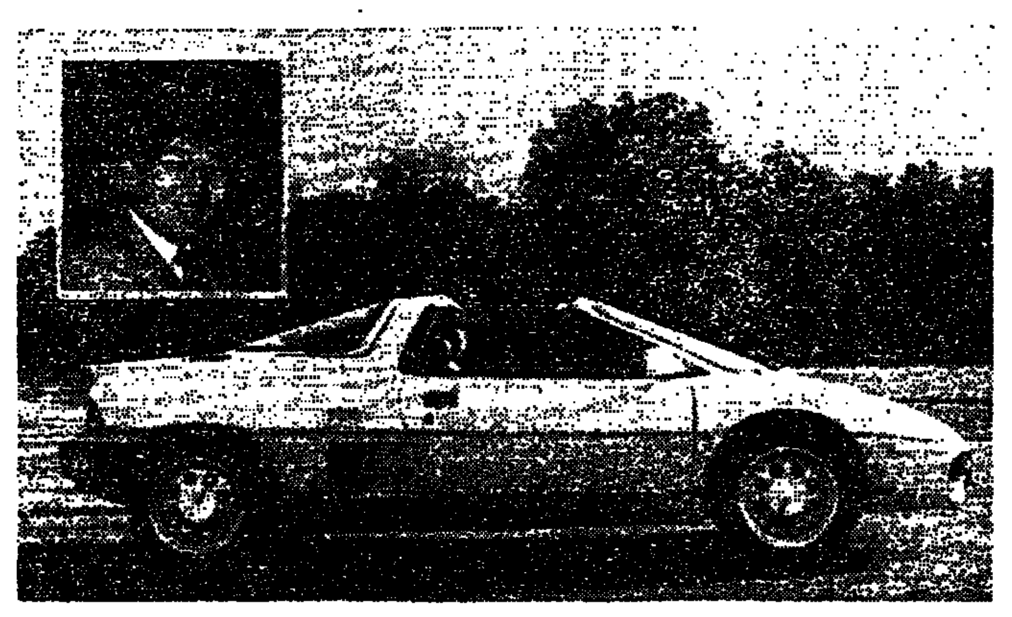
BASE LENDING RATES

A.B.N. Bank	9½%	■ Hill Samuel	§ 9½%
Allied Irish Bank	9½%	C. Hoare & Co.	† 9½%
Amro Bank	9½%	Hong Kong & Shanghai	9½%
Henry Ansbacher	9½%	Johnson Matthey Bkrs.	9½%
Armco Trust Ltd.	10½%	Knowsley & Co. Ltd.	10½%
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	10 %
Bank Hapoalim	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Meghraj and Sons Ltd.	9½%
Bank of Ireland	9½%	Midland Bank	9½%
Bank of Cyprus	9½%	■ Morgan Grenfell	9½%
Bank of India	9½%	Mount Credit Corp. Ltd.	9½%
Bank of Scotland	9½%	National Bk. of Kuwait	9½%
Banque Belge Ltd.	9½%	National Girobank	9½%
Barclays Bank	9½%	National Westminster	9½%
Beneficial Trust Ltd.	10½%	Norwich Gen. Tst.	9½%
Brit. Bank of Mid. East	9½%	People's Tst. & Sv. Ltd.	10½%
■ Brown Shipley	9½%	R. Raphael & Sons	9½%
CL Bank Nederland	9½%	P. S. Refson	9½%
Canada Perm'nt Trust	9½%	Roxburghe Guarantee	10 %
Cayzer Ltd.	9½%	Royal Bk. of Scotland	9½%
Cedar Holdings	11 %	Royal Trust Co. Canada	9½%
■ Charterhouse Japhet	9½%	■ J Henry Schroder Wagg	9½%
Citibank NA	9½%	Standard Chartered	‖ 9½%
Citibank Savings	¶ 10½%	Trade Dev. Bank	9½%
Clydesdale Bank	9½%	TCB	9½%
C. E. Coates & Co. Ltd.	10½%	Trustee Savings Bank	9½%
Comm. Bk. N. East	9½%	United Bank of Kuwait	9½%
Consolidated Credits	9½%	United Mizrahi Bank	9½%
Co-operative Bank	* 9½%	Westpac Banking Corp.	9½%
The Cyprus Popular Bk.	9½%	Whiteaway Laidlaw	10 %
Dunbar & Co. Ltd.	9½%	Williams & Glyn's	9½%
Duncan Lawrie	9½%	Wintrust Secs. Ltd.	9½%
E. T. Trust	10 %	Yorkshire Bank	9½%
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	11 %		
■ Robert Fleming & Co.	9½%		
Robert Fraser & Ptns.	10 %		
Grindlays Bank	‡ 9½%		
■ Guinness Mahon	9½%		
■ Hambros Bank	9½%		
Heritable & Gen. Trust	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.25%. 1 month 7.00%. Fixed rate 12 months £2,500 8.75% £10,000. 12 months 9.00%.
† 7-day deposits on sums of under £10,000 6¾%. £10,000 up to £50,000 7¼%. £50,000 and over 8%.
‡ Call deposits £1,000 and over 6¼%.
‖ 21-day deposits over £1,000 7¼%.
¶ Mortgage base rate.
§ Demand deposits 6%.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ



Young Kim and the Solo, his latest creation

Panther on the prowl

John Griffiths reports on a South Korean's efforts to save a UK specialist car maker

SOUTH KOREAN car maker Young Kim shrugs: "I tried to get the passenger seats made there. But no way: the cost was much higher. I can get them here for two-thirds the price."

This sounds like the start of another sorry tale about the competitiveness of UK parts suppliers.

It is not.

For while Kim is Korean, he makes his cars in the UK. And he was discussing the inability of Korean suppliers to match the prices of the British.

Kim, 46, is chairman of Panther Car Company, on which he—or rather the Jindo industrial group owned by himself and his four brothers—spent £300,000 to retrieve from receivership in 1980. Since then *a new manufacturing* regime has been installed, bringing together Korean and British components, and a management style introduced which owes more to Kim's respect for British workers than to traditional practice in UK industry.

This year, Panther has produced about 600 versions of the Kallista, a two-seater reminiscent of 1930s tourers, at its Byfleet, Surrey, base, and next year it is hoping for a return to profitability.

Kim's comparison of seat prices provides a partial *explanation of why his foray* into car manufacture is taking place in England, not Korea.

"The Koreans could not match the price because they do not have the know-how, which can more than compensate for the fact that Korean labour rates are only a quarter of those in Britain (Jindo pays its Korean *shopfloor* workers an average of £1.60 an hour, its British equivalent is £6)."

Next year Kim will use what he sees as the "know-how" advantage to start making the planned transition from being a producer of cars appealing mainly to a nostalgic motoring fringe, to one aiming squarely at the heart of the modern sportscar market. Implicit in the move is a quintupling of output, and a further substantial increase in employment over the current 162. Only a handful of *employees were left when the* receivers were called in with Panther owing about £1m four years ago . . .

To the output of the Kallista will be added the Solo, a 130-mph mid-engined two-seater of dramatic, modern styling with its chassis designed by Len Bailey, one of the team which produced Ford's GT40 racing car of the 1960s.

Kim intends to take Panther from a turnover of just over £5m this year—a third contributed by a conversions and a coachwork operation which produces exotic variations on luxury cars for wealthy, mainly foreign buyers—to well over £20m a year by 1970.

This will entail calling on *Jindo resources. Chassis will be* made in Korea, thus exploiting Jindo's extensive metal fabricating facilities, and shipped to the UK in Jindo containers for assembly using Ford mechanicals and other parts from some 127 UK suppliers. For the American market chassis will be shipped direct from Korea for assembly.

Kim's interest in UK car manufacture stems from the obsession he and his brothers have had with "know-how" since the late 1970s.

Jindo is a disparate group: it *makes* 20,000 containers a year in Korea, is a military subcontractor, makes abrasives and has two trading arms—one in furs, the other in raw goods. There are incidentals like a car rentals business on Guam.

The brothers' thinking was that "if we could buy sufficient know-how, we could eventually get to build anything."

It was while trawling through the UK, talking to companies such as York Trailer on how to improve manufacturing methods, that Kim first heard about Panther. Its former owner, Robert Jankel, had tried to expand the company too rapidly, with a variety of cars, and had come unstuck.

Four years of hauling the company back towards *viability* has done nothing to diminish Kim's respect for British expertise in being able to design, develop and put together a complex product like a car—and to supply many components sufficiently price-competitively to make the cars affordable.

But it has left him with scant respect for the UK financial sector; "what I have learned about British banks is that they are prepared to lend you money only after you no longer need it," he remarks. Indeed, the bulk of the finance for bringing the Solo to the market—including the U.S. where obtaining safety and legislative approval is highly expensive—as well as installing extra assembly plant at Byfleet is being raised in the Korean banking network.

The U.S. provides a hallmark of how seriously Panther is approaching the business—it is potentially the single most profitable market, although the most fraught with risk. In going for full certification it will have to pay $156,000 on the Kallista and another $220,000 to get Solo through.

Despite all the aggravations of the long haulback from bankruptcy, and with the prospect of a return on the long investment at last hoving into sight, Kim is starting to feel the game may be worth the candle.

He now admits that he was "very naive" about the problems. "I didn't know the connotations of the specialist car *market. In the specialist business* you have got to have the know-how, you've almost got to be the mechanic and you've got to have specialist designers. Me? I tried to move in and run Panther like a big enterprise, with managers and so on. But, in the end, everyone was looking to me to make decisions I had no idea about. Largely, it's my fault: when I came here I didn't do the research into culture, work patterns, traditions, etc. . . .

"It took two years, and a lot of turnover in personnel, to find *middle management people both* loyal and capable—both parties had doubts about each other's abilities. Now, at last, Panther has shown to the industry that it can produce cars and has built up some credibility."

It has taken a long time to come to terms with the habits and practices of UK shopfloor workers and middle management. "I knew nothing about the qualifications of UK employees. When I interview in Korea—they come; they need a job—they would not dare interview me or question my own capability. But in England, it was for me to convince them. But I did it—I wanted them to know what shape the company was in; I did not want to give them a false impression."

He was tempted to bring in Korean managers more attuned to his style of operating—but decided against it. "I realised we would have a big communications gap with the workers.

Panther has no union, equally, there is also a total absence of rigid work force disciplines. Kim insists that this perception of Far Eastern shopfloors is in any case wrong. "The Korean workforce is much misunderstood—foreigners think it is militaristic on the shopfloor—in fact, it's a very open, friendly relationship with management."

If there is a difference between his Korean and UK shopfloor employees, says Kim, it's that "we have real feeling for each other, which is very, very important. I wanted to start a newsletter for the company—the managers said they didn't have time, so the line guys did it. The three team leaders took me out to dinner recently, with their wives. I don't usually go, because my wife's not here. But we had a good time—even if all they want to talk about is cars."

There's a club atmosphere at the factory. The reception area after working hours sometimes *resembles* a coffee shop, with employees lingering for a chat. Kim has been working out where to put a piano in the place to liven up break times. He has been quite happy to let the plant be used by local associations, such as the arts society, at weekends when production is not *actually in* progress.

For all that, Kim confesses himself still puzzled by British middle management. "I had the (shopfloor) guys in for coffee the other week and, somehow, the middle management regarded me as overstepping the line. I'm not trying to knock my middle managers—I'm simply curious about what's happening and they're my main strength—my fellers there on the shop floor."

Perhaps, it's still a matter of time, he suggests, before all the working *relationships fall* finally into place. And he says, it must involve the middle management coming to take a long term view of the company—"because right now I have nothing to share with them except the future . . ."

A problem with planning

Robin Pauley on strategic challenges facing state industry

BRITAIN'S nationalised industries have tended to be stubborn mules, remaining a persistent drain on the Government's feedstore while contributing little, if anything, to their keep.

Different governments have in recent years made more serious attempts to tackle these *difficulties more radically*. The present Government has decided to try to swing round the management and financial performance of the least hopeless cases and move them off into the private sector.

A key element in improving *the performance of nationalised* industries is strategic planning and it is clear that to a great extent the political priorities in Westminster, with perpetual changes of policy and emphasis, have done a great deal to undermine sensible strategic thought within these industries.

But newly published papers from a conference held at Robinson College, Cambridge, demonstrate clearly that nationalised industry chairmen and boards have more freedom to manage than they often admit and could do much more to manage effectively *the resources* they have.

They are under increasing pressure to do so because both the present Comptroller and Auditor General, Sir Gordon Downey, and the Public Accounts Commission are looking in detail at what each industry is up to.

Professor Bernard Taylor, of Henley—the Management College, identifies the principal difficulty early in this most valuable book: "In practice the majority of managers find the task of strategic planning difficult and they require a good deal of help. This is partly a matter of temperament. Operating managers tend to be chosen for their ability to get things done and it has been well said that a man of action, forced into a state of thought, is unhappy until he can get out of it."

John Grieve Smith follows up by stressing the need, particularly relevant in nationalised industries, for planning for uncertainty and outlining how this dictates that a variety of outcomes must always be sensitively analysed. "The immediate need *is not so much to disseminate* knowledge of current techniques among those operating at a professional level in the industries as to engender an atmosphere at board level and in discussions with government *more amenable to the consideration of a wider series of projections than the traditional one best guess*" (my emphasis).

The unsatisfactory nature of the principal instrument of financial control within the state industries—the External Financing Limit or EFL—*recurs. Ian Byatt*, of the Treasury, notes that the basic framework of government control of nationalised industries is a financial one but that EFLs cannot be a precision instrument in that framework. And Andrew Likierman of the London Business School complains that ministers do not always understand enough about the impact of policy changes on the industries for which they are responsible.

This highlights the main problem; the difficulty of reconciling a system of public expen*diture targets and* controls run on a financial year by financial year basis—sometimes with mid-year revisions such as the July 1983 package of emergency cuts including an arbitrary 2 per cent off EFLs—with the concept of strategic planning over a five- or ten-year period.

For those industries destined to remain in the state sector—but with tough demands for efficiency, profits and a real rate of return on capital utilised—what is the way forward in organising for change, assuming government will start to regard its hand-off policy as just that?

Increased competition within the public sector will clearly remain a priority and this raises a problem for both employees and management, both of which have vested interests in preserving the status quo.

As John Grieve Smith notes, the industries are at their most vulnerable when demand for their products is depressed by competition from products which are regarded as the province of another industry—coal by gas, or tinplate by aluminium—or by the stagnation of the British economy.

Increased competition, to be constructive, should surely have as a concomitant the removal of restrictions on the public sector's ability to respond, rather than additional restraints, he adds.

The difficulties of government and management trying to break out of the traditional mould of vested interest defending the status quo are graphically highlighted in the origins of the current dispute between the coal board and miners.

If there is one common theme among the variety of papers it is the need not so much for better strategic management in nationalised industries as for an environment of stability and understanding between government and boards and agreed objectives which go far beyond the political constraints of the out-turn of each year's public sector borrowing requirement. A more depressing impression is that while the need for change appears to be commonly agreed, the message for those eagerly awaiting it remains: Don't hold your breath.

Strategic Planning in Nationalised Industries, edited by John Grieve Smith, Macmillan, £25.

Business courses

Corporate strategy by design, Boston. January 23-25. Fee: $750. Details from Design Management Institute, 621 Huntington Avenue, Boston, MA 02115 U.S. Tel 617 232-4496. Telex: 294116.

Assessing and improving the quality of financial services: how research can help. Zurich. February 3-6. Fee: EFMA/ESOMAR members SWFRs 1147. Non-members SwFrs 1327. Details from ESOMAR, J J Viottastraat 29, 1071 JP Amsterdam, The Netherlands. Tel: (20) 64.21.41. Telex: 18535 smar nl.

Time planning for success, *London. January 30-31.* Fee: £305. Details from Peter Yeo, Publicity Consultant, BIS Applied Systems Limited, York House, 199 Westminster Bridge Road, London SE1 7UT. Tel: 01-633 0866.

Quality management, Brussels. January 14-18. Fee: Non-members BFr 65,000; Members (AMA/I) BFr 59,000. Details from Management Centre Europe, rue Caroly 15, B-1040 Brussels. Tel: 32/2/516.19.11. Telex 21.917.

Industrial selling skills, Berks. February 4-6. Fee: £290 plus VAT. Details from Ruth Drahota, Course Administrator, Urwick Management Centre, Baylis House, Stoke Poges Lane, Slough, Berks SL1 3PF. Tel: 0753-34111. Telex: 296 247 Urwick G.

TECHNOLOGY

EDITED BY ALAN CANE

JAPANESE FUTURE FACTORY PROJECT

Lessons in automation

BY PETER MARSH

ENGINEERS in Japan have finished work on a £40m prototype factory designed to test strategies in automated manufacturing for the 1990s.

The plant, at the Japanese Government's Mechanical Engineering Laboratory in Tsukuba City near Tokyo, will be demolished early next year after the 20 or so companies participating in the scheme have digested lessons from it. Companies working with Government technologists in the project include Toshiba, Toyota, Makino, and Kobe Steel.

The exercise has knitted together aspects of production engineering such *as materials* handling, assembly, computerised machining, automated test procedures and laser cutting.

Professor Keith Rathmill, head of the robotics department at Cranfield Institute of Technology, visited the plant recently. He says it should provide a proving ground on which to test theories about how to make items in small batches in an automated fashion, in such a way that the lead times to introduce new products are kept low.

With experience from the exercise, *Japanese* engineers will be able to select the strategies that work, discarding the ones that lead up technological blind alleys.

The factory turns out gear boxes with the minimum of human intervention. The start*ing materials include simple* parts such as bearings, seals and fasteners that are bought from other manufacturers. More complicated components such as casings and shafts are fashioned from law lumps of metal by machine tools and other factory hardware such as lasers.

Transfer of parts between different machines is left to a series of driverless carts that, guided by wires, shuttle to and from along set pathways.

The plant is supervised by a hierarchy of computers administered by workers in a control room. According to Prof Rathmill, the Japanese look upon the factory as the result of an R and D exercise and do not try to pretend it represents what might be installed in industry.

In an assessment of the project, Prof Rathmill has split the work at Tsukuba into different sections:

● Preforming. Activities here are at satellite locations away from the main plant. Engineers have developed automated forging machines to shape hot segments of metal into items such as tubes, discs and shafts that are fed into the main factory.

● Product design. The professor was taken aback by what he felt to be the lack of attention given to this area. There was little reference to computer-aided design. "All the answers I got (from engineers at the plant) pointed to a surprisingly *simple approach in defining the* parts spectrum." The workshop can turn out only a limited range of gear boxes and the professor found little link between strategies for linking the design process to production.

● Laser technology. The workshop contains a 10 kW carbon-dioxide machine for cutting and welding at one work station. A second beam from the same device is directed to another station for surface hardening of components, for instance the teeth in gear wheels. A second laser, a 300W neodymium-YAG *device, sends radiation that is* split to three machining centres, to cut up small chips. Technicians have developed a further carbon-dioxide machine (rated at 20 kW, a particularly high power) but at the time of Prof Rathmill's visit this had not been *integrated into the* complex.

● Machining. As with many orthodox computerised machining centres, unmanned carts glide up to machining work stations and present raw parts to spindles. Tools then gouge *out lumps from the metal in* a preset fashion according to a program in the station's computer memory. The working principles are to ensure that the hardware works in a flexible fashion according to the program driving it.

The Japanese have taken this process a step further by building into their system a series of interchangeable spindles, each of which can be activated to do different cutting jobs. Prof Rathmill is uncertain on whether this technique is commercially viable. "The overall impression of the machining cell area was one of an extremely expensive, potentially problematic density of spindles and axes of motion."

● Assembly and test. A gantry-style robot (similar to the 7565 model made by IBM) is used to assemble parts into finished gearboxes. The professor was *disappointed to see* no robot that was more advanced. "In assembly robots, I feel they copped out." In the testing area, automated equipment loaded components into apparatus to measure their behaviour under vibration and other loads.

● *Unmanned carts. These* operate along fixed pathways, and were no more advanced than those seen in commercial systems.

● Parts marshalling. The engineers on the project have made progress in techniques to organise the flow of raw material.

Right is Professor Rathmill with Mr Martin Woollett of Cranfield Institute.

PROFESSOR Keith Rathmill bases much of his work at the Cranfield Institute of Technology in building up links *with industry*.

As the head of the institute's robotics and automation group, the 37-year-old professor is in charge of about 50 staff and 75 students. Some 70 per cent of the group's annual income of £1.5m (which covers both research work and teaching) comes from industry. The group also gets cash from the Department of Education and Science to help with training. The robotics unit links up with companies in two ways:

● It runs one-year MSc courses in subjects concerned with automation. Three courses, in flexible-manufac*turing* systems, robotics and advanced-manufacturing technology, are between them training about 60 people a year. Most of these individuals are engineers in their mid 20s who are sponsored by companies for which they are *already working*.

● Staff at the unit do research for industry in specific technical areas. Students on the courses (besides those training for an MSc, the robotics group has a number of people studying for three years for PhDs) help out. Prof Rathmill says that to run a successful teaching operation in industrial technologies it is vital to organise a concurrent research effort in work that is commercially relevant. The Cranfield group is working with Texas Instruments on relatively cheap flexible manufacturing systems that cost no more *than £500,000*.

Prof Rathmill says that UK industry has generally been positive about supporting his unit and sees "positive growth and interest" in Britain in *high-technology* manufacturing.

UNIVERSITY RESEARCH

Lasers for medical treatment

A SIMPLE machine developed at a university laboratory with a grant from the Ministry of Defence promises to extend the lives of a new and promising form of laser.

Gas purifers for excimer lasers were developed at Oxford University's Clarendon Laboratory in the late 1970s. The lasers produce blasts of high energy and have a variety of applications from medicine to electronics.

Oxford Lasers, a small company *formed by people at the* laboratory, is selling the purifiers to manufacturers of excimer lasers that want to make their products more useful in industry.

Oxford Lasers has sold 60 of the devices and is expanding rapidly—in the past nine months its staff has doubled to 16.

The gas purifiers use cryogenic techniques to get rid of contaminants. They strike at a problem that dogs users of excimer lasers. The lasers use highly reactive fluoride compounds which are easily contaminated. As a result, the power output of the machine may fluctuate. In an industrial process, workers would have to replace continually the lasing materials, a time-consuming and expensive operation.

With the gas purifier, says Oxford Lasers, lifetimes of the lasers can be increased by a factor of 10 or more. The company is selling its machines to several manufacturers of excimer lasers, among them Questek and Sopra of the U.S., Lumonics of Canada and Lambda Physik of West Germany. The gas purifiers cost some £4,500, roughly 10 per cent of the total for an excimer laser.

Excimer lasers have created interest because they emit pulses of light at relatively high energy. The wavelength of the radiation is in the ultraviolet region at around 200 nanometres.

With the machines engineers can channel high-energy photons at materials, for example to remove selectively fragments of a surface coating.

The devices show particular promise in chip manufacture. Researchers are examining applications in removing layers of chemical resists built up on a semiconductor substrata. This is a key part of the lithography process used to produce circuit elements.

In conventional chip making, engineers use ordinary ultraviolet light. With the high-energy radiation from the excimer laser, workers may be able to create circuit patterns in finer detail and at higher speeds.

They may also be able to dispense with the development process that is usually required to remove parts of the chemical resist after irradiation with light. With the laser rays, development may not be needed—the beams are of such high energy that the segments of resist are simply blasted away.

Excimer lasers arealso under investigation in other areas of industry and in medicine—where they could be useful in eye surgery.

In excimer lasers, streams of gases are passed into a tube. The materials usually include fluorineand rare gases such as argon and krypton — these combine to give a rare-gas fluoride. Electrons, passed through the mixture via electrodes, stimulate emission of photons which leads to the laser radiation.

As fluorine is so reactive, it combines with traces of elements such as silicon, carbon and sulphur that may be present in the tube — for example as part of the electrodes. The productions of such reactions contaminate the rare-gas fluoride, decreasing the power output of the machine.

In some cases, an excimer laser may produce radiation for only half an hour before the cases have to be replaced.

To purify the rare-gas fluoride chemically would be very difficult. The substance would react with any chemicals introduced into the tube, producing more contamination.

Oxford Lasers turned to a straightforward cryogenic technique developed during work for the Ministry of Defence (which is interested in excimer lasers because of their possible military applications).

At this temperature, the rare-gas fluorides remain gases—but virtually all the contaminants freeze. The fluoride can be channelled back to the laser tune by closed loop, while the impurities are removed periodically as a solid sludge, just as someone would defrost a refrigerator.

Medicine

Watchdog computer

FOR LESS than £6,000, doctors can buy a computer system which gives patient details of preventative care. Running on the IBM XT computer, the system from Update computers produces a list for the doctor showing for each patient visiting the surgery that day all overdue items of preventative care.

The system was developed by Drs Michael Whitfield and Stan Shepherd and Update. Dr Whitfield has had an Update system in his Bristol practice since last year.

Offshore

Explosive cutters

BRITOIL has taken delivery of explosive cutters to protect pipelines connected with the Brent A platform from accidental damage.

The devices, said by the supplier, Honeywell Leafield, to be the world's largest explosive cutters, are fitted to a gas pipeline linked to the platform. The cutters would automatically sever the line *if a ship's anchor or other* marine obstruction hooks the structure and exerts a force of more than 2 tonnes.

Banking

Foreign dealing

Barclays International Rates Display System for the bank foreign exchange dealing room has recently been completed by Logica. The system is used by more than 100 dealers each of whom have two screens which monitor a combination of Barclay's internal exchange information and external services such as Reuters and Dow Jones.